

BERGRIVIER MUNICIPALITY



REMUNERATION AND ALLOWANCES POLICY

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1. INTRODUCTION

This document sets out the policy, principles and procedures that must be applied with respect to the remuneration of employees of the Municipality.

2. PURPOSE

The purpose of this policy is to advance labour peace and efficient human resources management by fulfilling the primary objects of the Constitution, relevant employment law and local government legislation.

3. OBJECTIVES

The specific objectives of this policy are to:

- promote effective, efficient and economic use of resources;
- promote fairness and transparency in decisions regarding remuneration; and
- provide a framework within which the Municipality will develop and administer appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration and matters connected therewith.

4. SCOPE AND APPLICATION

The policy shall apply to all councillors, permanent- and contract employees, students and interns of Bergrivier Municipality, excluding EPWP and CWP employees.

5. DEFINITIONS

In this policy, unless the context indicates otherwise:

“Authorised Deductions” refers to deductions required or permitted in terms of a law, arbitration award, collective agreement, any other agreement with the employee or court

order or as defined in the Employment contract policies of the Municipality and Conditions of Service;

“Council” means the Council of Bergrivier Municipality and includes any official political structure of the Council;

“Debt” means an amount of money owed and payable to the Municipality arising out of a liability or obligation to pay;

“Director” means the person appointed as such in terms of Section 56 of the Systems Act and includes a person acting in his/her stead.

“Employee” means a person who works for, or renders a service to, the Municipality regardless of the form of his/her employment contract, and in respect of which any factor enumerated in section 200A (1) of the Labour Relations Act applies;

“Employer” or “Employers” refers to employers/municipalities within the registered scope of the SALGBC (South African Local Government Bargaining Council); furthermore shall the employer have the meaning assigned to it in the MSA, No. 32 of 2000, namely means the Municipality employing a person as a municipal staff member; and means the same as Council;

“Incremental Date” means the first calendar day of July of each year;

“Line Manager” refers to the person with direct authority and/or responsibility over subordinates in their respective directorates, departments, divisions and sections;

“Month” means one calendar month;

“Municipal Manager” means the person appointed as such in terms of Section 54A of the Local Government: Municipal Systems Act (Act 32 of 2000) and includes a person acting in his/her stead;

<i>“Municipality”</i>	means the Bergrivier Local Municipality, a municipality established in terms of section 12 of the Municipal Structures Act, 1998 (Act 117 of 1998), as amended;
<i>“Normal Working Day”</i>	means any calendar day of the week in respect of which an employee is normally required to work;
<i>“Overpayment”</i>	means any payment made to an employee in error – a payment in error is one where there is no legal basis for such payment irrespective of the nature of the source of the error;
<i>“Overtime”</i>	means that portion of any period that an employee works for the Council during a working week or on a working day as the case may be, which exceeds the working hours as agreed by the Council and its employees from time to time, provided that it shall not include any period worked by an employee on a Sunday or a Public Holiday or during his free period of 24 hours unless such Sunday or Public Holiday is a normal working day for such employee;
<i>“Pay” or “Payment”</i>	means the monetary compensation due to an employee for services rendered to the Council including the salary, housing benefits, allowances, bonuses and payment for overtime;
<i>“Pay Range”</i>	means a continuum starting at an amount and ending at a higher amount indicating remuneration packages;
<i>“Payroll Administration”</i>	means transactions arising out of the application of statutory provisions, collective agreements, conditions of service, arbitration awards, court orders and approved policy directives;
<i>“Payroll Calendar”</i>	means the annual calendar which informs the monthly payroll cycle and which sets out the key dates in the payroll cycle and process;

- “Payroll Systems”* means the system used to administer or process all payroll and personnel administration related transactions;
- “Permanent Employee”* means an employee, excluding a contract employee and/or a temporary employee and/or interns, occupying a post on the fixed approved staff establishment of the Council in a permanent capacity, as well as the four positions in Bergrivier Municipality that is legally prohibited to be appointed permanently namely:
- Municipal Manager;
 - Strategic Officer in the Office of the Executive Mayor;
 - Personal Assistant in the Office of the Executive Mayor;
 - Public Liaison Officer in the Office of the Executive Mayor; and
 - General Assistant: Ward
- “Remuneration”* means any payment in money or in kind, or both in money and in kind, made or owing to any person in return for that person working for any other person, including the State, and “remuneration” has a corresponding meaning;
- “Salary”* means an employee’s usual monetary compensation for services rendered to the Council, whether in terms of the appropriate notch on his salary scale or a fixed amount of money, that excludes any allowance, bonus, housing benefit, payment for overtime or monetary fringe benefit;
- “Salary Increment”* means the increment by which an employee’s salary is increased in accordance with his applicable salary scale;
- “Salary” or “Salary Scale”* means that the employee retains the salary/salary scale and may receive a lesser adjustment during regarding, as determined by the Bargaining Council, as opposed to other employees until the salary scale equals the Bargaining Council’s

salary scale, where after the salary/salary scale will no longer be regarded as personal to holder;

<i>“Underpayment”</i>	means any payment not made to an employee where there exists a legal obligation on the part of the Municipality to make the payment;
<i>“Wage”</i>	means the same as salary;
<i>“Weekends”</i>	refers to Saturdays and Sundays except when an official occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday;
<i>“Working Day”</i>	means any calendar day of the week on which an employee must normally report for work;
<i>“Working Hours”</i>	means the hours during which an employee normally has to work during a working week or on a working day.

6. INSTITUTIONAL ARRANGEMENTS

6.1 WORKINGS HOURS

The working hours of Bergrivier Municipality, according to the Main Collective Agreement and per Council Resolution (UK542 of 14 March 2002) are as follow:

6.1.1 Office Hours (All towns)

Monday - Thursday: From 07:30 to 13:00 Working hours
From 13:00 to 13:45 Lunch time
From 13:45 to 16:30 Working hours

Friday: From 07:30 to 13:00 Working hours
From 13:00 to 14:00 Lunch time
From 14:00 to 15:30 Working hours

6.1.2 Cashiers (All towns)

Monday to Friday: From 07:30 to 15:00

6.1.3 Motor registration, Licensing and Fines

Monday - Thursday: From 07:30 to 13:00 Working hours
From 13:00 to 13:45 Lunch time
From 13:45 to 16:30 Working hours

Open for Public: From 08:00 to 13:00
From 13:45 to 15:00

Friday: From 07:30 to 13:00 Working hours
From 13:00 to 14:00 Lunch time
From 14:00 to 15:30 Working hours

Open for Public: From 08:00 to 13:00
From 14:00 to 15:00

6.1.4 Employees will work Friday office hours on a Thursday, when a Public Holiday falls on a Friday (Resolution UK997 of 20 March 2003).

6.1.5 Employees who are required to work shifts, will work according to the shift roster provided by their Supervisor.

6.2 EARNINGS THRESHOLD

In accordance with the Collective Agreement on Conditions of Service for the Western Cape Division of the SALGBC, the Earnings Threshold shall mean the top notch of the salary scale (T-grade) within which the Basic Conditions of Employment Act, 1997, earnings threshold determination falls, as amended from time to time. The Department Human Resource Services is responsible to amend the increased earning threshold on the payroll system.

6.3 IMPLEMENT AND CHANGE OF BANKING DETAILS

Permanent employees, Contract employees and Councillors, must submit their stamped banking details, of their active bank account, to Human Resources before the 10th of the month for implementation. The providing and capturing of the correct and authentic banking details is of vital

importance to the Salary Section, to ensure accurate payments into the appropriate, active bank accounts.

6.4 IMPLEMENT OR CHANGE OF INCOME TAX NUMBERS

Permanent employees, Contract employees and Councillors, must submit their verified Income tax numbers from SARS to Human Resources, before the 10th of the month in order for the Income Tax numbers to be implemented or updated on the HR system.

6.5 PAYROLL SYSTEM

The Salary Section is responsible to ensure that the payroll system is maintained and continuously updated with the latest releases as received from the service provider from time to time.

6.6 EASYFILE EMPLOYER SYSTEM

The Salary Section must always ensure the latest version of Easy file is being used, as any information using previous versions, will not be accepted by SARS.

6.7 E-FILING SYSTEM

The Salary Section must always ensure the latest version of SARS E-filing, an online program, for the submission of tax returns and related functions; allows registration, submissions, PAYE-, UIF and SDL payments and other interactions with SARS in a secure online environment. Remuneration must be up to date with any amendments and changes on E-filing system to ensure accuracy of data as SARS do extensive validations against the electronic employees' tax certificates (IRP5's).

6.8 ADVANCE ON SALARY REQUESTS

The practice for the processing of salary advances for the municipal Councillors and staff is forbidden in terms of Section 164 (c) (i) – (iii) of the Municipal Finance Management Act.

6.9 STOP-ORDER FACILITIES

6.9.1 The Municipality shall not honour any authorisation given by an employee for deducting money from his salary unless such authorisation is given in relation to:

6.9.1.1 Any deductions authorised in terms of a collective agreement;

6.9.1.2 The payment of any deductions in terms of any policy; and

6.9.1.3 The payment of monies owed to a medical aid scheme or in relation to the supply of medicine under prescription of a medical practitioner.

6.10 PERSONAL LOANS AND PETTY CASH ADVANCES

The Municipality shall not grant personal loans or advances from petty cash or any other account or fund to any employee.

7. SALARY SCALES AND INCREMENTAL DATES

7.1 NEW APPOINTMENTS

7.1.1 A new employee appointed at Bergrivier Municipality will be appointed on the first notch of the post level of the advertised post.

7.1.2 However, should the remuneration of the new employee at his/her previous employer be more than the remuneration applicable to the advertised post, the Municipal Manager may consider appointing the new employee on a higher notch than the first notch of the advertised post, subject thereto that the new employee submits documentary proof of his/her remuneration.

7.1.3 A maximum offer calculated at 2-5 notches higher than the employees current notch may be payable based on the candidate's experience, knowledge, competence and scarcity of the skill he/she possesses.

7.1.4 The process referred to in paragraph 7.1.2 above, must be concluded prior to the new employee accepting the post and commence duties with Bergrivier Municipality.

7.2 PERSONAL TO INCUMBENT

7.2.1 If the salary scale pertaining to a post is decreased, the incumbent shall retain his/her current salary scale as personal-to-incumbent.

7.2.2 If an employee's post is declared redundant and is abolished due to a re-organisation of the Council's service and such employee is demoted by the Council, the employee shall retain his/her salary scale and benefits which applied prior to such demotion as personal-to-incumbent.

7.3 PROMOTIONS

7.3.1 When an employee is promoted because of recruitment and selection, his/her salary shall be adjusted to the first notch of the post level of the advertised post.

7.3.2 Should the first notch of the post level of the advertised post coincide with the current salary notch of the employee or is lower than the current salary notch of the employee, the employee's salary will be adjusted to the next notch following his/her current salary notch, subject thereto that the incumbent stays within the applicable post level of the advertised post.

7.4 TRANSFERS

7.4.1 When an employee is transferred, he/she shall retain his/her salary.

7.5 MISCONDUCT

7.5.1 The salary of an employee demoted on the grounds of misconduct shall be adjusted to the new salary notch as determined by the sanction, as from the first working day of the working month following the date of the sanction to demote him/her.

7.5.2 The employee will not receive increments, except if his/her salary is lower than the top notch of the post he/she has been demoted to.

7.6 RE-ORGANISATION

7.6.1 If an employee's post is declared redundant and is abolished due to a re-organisation of the Council's service and such employee is demoted by Council, the employee shall retain his/her salary scale and benefits which applied prior to such demotion as personal-to-incumbent

7.7 INCAPACITY

7.7.1 The salary scale of an employee demoted because of a physical or mental indisposition in terms of Schedule 8 of the Labour Relations Act, 1995 (Act No. 66 of 1995), shall be adjusted to the first salary notch of the salary scale of the post to which he has been demoted, as from the first working day of the working month following the date of the resolution to demote him/her.

7.7.2 A demotion shall come into effect on the first day of the working month of the employee concerned, after the working month in which it was decided to demote him/her.

7.7.3 The employee will not receive increments, except if his salary is lower than the top notch of the post, he/she has been demoted to.

7.8 ANNUAL INCREMENTS

7.8.1 Salary adjustments are confirmed by SALGA with the Salary and Wage Collective Agreement and implemented by the Salary Section.

7.8.2 An employee's salary shall be increased annually on 1st July by the relevant salary increment until he/she reaches the top notch of the applicable salary scale.

7.8.3 The Salary Section calculate, process and verify the regulated salary scales.

7.8.4 The Salary Section manage, implement, reconcile and verify the newly calculated scales.

7.9 PLACING STAFF ON A NEW TASK GRADE AND SALARY SCALE CONDITIONS (TASK - TUNED ASSESSMENT OF SKILLS AND KNOWLEDGE)

7.9.1 The implementation of the TASK Job Evaluation results will be done according to the TASK Job Evaluation Policy.

7.9.2 The following conditions apply when placing staff on a new T.A.S.K. grade and salary scale (paragraph 11 of TASK Job Evaluation Policy):

7.9.2.1 Employees will be placed on the salary notch on the new pay scale for the applicable T.A.S.K. grade which is the closest higher salary notch to their existing salary notch.

7.9.2.2 Employees whose current salary notch is lower than the minimum of the applicable T.A.S.K. grade scale will be placed on the minimum of the applicable new T.A.S.K. salary scale.

7.9.2.3 Employees whose existing basic salary is higher than the new T.A.S.K. grade maximum will retain their existing basic salary scale on a *personal to incumbent* basis.

7.9.2.4 The Municipal Manager has the authority to determine the salary notch in the applicable T.A.S.K. grade scale to ensure that no salary discrepancies occur.

7.9.2.5 In the event of paragraph 7.9.2.3 above, annual cost of living adjustments as determined by the SALGBC (South African Local Government Bargaining Council) will be applied to the salary rate as retained by the Employee from the date on which such an adjustment is applicable.

7.9.2.6 The implementation date for a new T.A.S.K. Job Evaluation outcome will be the first (1st) of the month following the month when the Municipal Manager has approved the new grade.

8. REMUNERATION OF EMPLOYEES AND COUNCILLORS

8.1 REMUNERATION: PERMANENT EMPLOYEES, TEMPORARY CONTRACT- AND FIXED TERM CONTRACT EMPLOYEES

- 8.1.1 Every employee, except employees who are specifically excluded, must be remunerated according to the relevant collective agreements.
- 8.1.2 The Category of the municipality, currently a Grade 3, is determined by SALGA and is linked to the salary scales. Annual salary increases are confirmed by SALGA with the Salary and Wage Collective Agreement.
- 8.1.3 The remuneration of a permanent employee consists of:
 - 8.1.3.1 a basic salary;
 - 8.1.3.2 a 13th cheque (bonus);
 - 8.1.3.3 a 14th cheque (reward for 30 years of service and beyond);
 - 8.1.3.4 long service payment
 - 8.1.3.5 the Municipality's contribution towards an approved retirement/pension fund in respect of the employee;
 - 8.1.3.6 the Municipality's contribution towards an approved medical aid scheme in respect of the employee;
 - 8.1.3.7 the Municipality's contribution towards an approved Group Life Insurance Fund in respect of the employee;
 - 8.1.3.8 the Municipality's contribution towards the Unemployment Insurance Fund (UIF);
 - 8.1.3.9 the Municipality's contribution towards Skills Levy;
 - 8.1.3.10 the Municipality's contribution towards Bargaining Council Levy;
 - 8.1.3.11 housing subsidy, provided that the qualifying criteria are met;

8.1.3.12 allowances, such as Perk Motor Scheme, Essential Motor Scheme, Cell phone, provided that the qualifying criteria are met – in accordance with the applicable and approved policies.

8.1.3.13 provided the qualifying conditions are met, such allowances as set out in this Manual; and

8.1.3.14 such allowances as may be payable in terms of a collective agreement.

8.1.4 Permanent employees are remunerated in accordance with their employment contracts. An approved and audited internal TASK job evaluation's process may result in approved amendments on an employee's remuneration.

8.1.5 Any additional earnings pertaining to approved and verified claims, such as travel logs, subsistence & travel, overtime, standby, nightshift, acting allowance etc, are paid in accordance with the applicable and approved policies.

8.1.6 Temporary contract- and fixed term contract employees will be remunerated according to the Temporary Worker Employment Policy.

8.1.7 The employee does not have the right to cede or to transfer his or her remuneration either in part or in full, to a third party.

8.2 UPPER LIMITS IN TERMS OF THE GRADE FOR BERGRIVIER MUNICIPALITY'S MUNICIPAL MANAGER AND SENIOR MANAGERS

The categorisation of Bergrivier Municipality with reference to the Remuneration of Senior Managers, is currently deemed to be a Category 3 municipality which determines the total remuneration package of Senior Managers. Remuneration levels for Senior Managers are aligned with this determination.

The upper limits of the total cost-to-company packages payable to municipal managers and managers directly accountable to municipal managers is determined by the Minister for Cooperative Governance in terms of Regulation 35 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, issued

in terms of Government Notice No.21 as published under Government Gazette No. 37245.

Flexible remuneration options are available to Senior Managers who qualify in terms of their positions and according to the requirements of the South African Revenue Services.

Senior Managers are paid for Subsistence and Travel claims in accordance with Bergrivier Municipality's Travel & Subsistence Policy. It is the responsibility of Senior Managers to ensure that all different claims and documentation be verified for correctness and authenticity, before the approval thereof.

The employee does not have the right to to cede or to transfer his or her remuneration either in part or in full, to a third party.

8.3 UPPER LIMITS IN TERMS OF THE GRADE FOR BERGRIVIER MUNICIPALITY'S COUNCILLORS

The upper limits of the total remuneration packages of councillors is determined by the Minister for Cooperative Governance and Traditional Affairs, under the powers vested in him/her by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office-bearers Act, 1998 (Act No. 20 Of 1998).

Bergrivier Municipality is currently deemed to be a Category 3 municipality as determined per Government Gazette. Remuneration levels of Councillors are aligned with this determination.

The salary and allowances of a councillor is determined by that municipal council in consultation with the member of the Executive Council responsible for local government in each province, having regard to the upper limits as set out in the published Government Gazette, the financial year and affordability of the municipality, including the austerity measures as approved by national Cabinet. Flexible remuneration options are available to councillors who qualify in terms of their positions and according to the requirements of the South African Revenue Services.

The Salary Section implements and manage the adjustments of upper limits after council has consulted with MEC for Local Government in the Western Cape about its council resolution of a supporting vote of a majority of its members.

Flexible remuneration options are available to councillors who qualify in terms of their positions and according to the requirements of the South African Revenue Services.

Councillors are remunerated for subsistence and travel claims in accordance with Bergrivier Municipality's Travel Subsistence Policy for Councillors.

The councillor does not have the right to to cede or to transfer his or her remuneration either in part or in full, to a third party.

9. ALLOWANCES AND BENEFITS

9.1 ANNUAL BONUS (13TH CHEQUE)

9.1.1 Every employee is entitled to a 13th cheque (equal to 1 (one) month's salary) payable together with his/her salary, in November of each year provided that an employee appointed in terms of section 56 & 57 of the Municipal Systems Act and a councillor may only receive a 13th cheque if he/she has chosen to receive an annual bonus.

9.1.2 An employee is entitled to the pro-rata payment of his/her annual bonus:

9.1.2.1 on retirement;

9.2.1.2 when his/her service is terminated for poor performance due to illness or injury;

9.2.1.3 when he/she resigns;

9.2.1.4 upon his/her death;

9.2.1.5 unpaid leave; and

9.2.1.6 in the first year of employment.

9.1.5 In respect of bonuses payable in November, the tax on the bonus will be deducted in 12 equal instalments in the relevant tax year, which runs from 1 March until 28 February and the employee will receive his/her bonus as a full amount.

9.1.6 Employees who are appointed on fixed term contracts for a period of 12 months or longer are also eligible for a bonus.

9.2 14TH CHEQUE

A 14th cheque is due to permanent employees in the service of the Council who reach 30 (thirty) years of continuous employment. Such employees will qualify every 5 (five) years thereafter for a fourteenth cheque.

9.3 NOTCH INCREMENT DATE

Permanent employees receive their notch increase annually on 1 July with the increase in salary. The notch increase date will remain unchanged when an employee is appointed in a higher position, including higher T-grade implementations.

9.4 LONG SERVICE BONUS

Long Service payment is an encashment of additional leave for continuous employment of 10 (ten) years and every 5 (five) years thereafter. As per Leave Policy and the Collective Agreement on Conditions of Service. Any request by an employee for pro-rata encashment or additional leave must be submitted to the Department Human Resource Services by the 10th day of the month.

9.5 HOME OWNERS ALLOWANCE (HOUSING SUBSIDY)

9.5.1 QUALIFYING CONDITIONS

9.5.1.1 The employee's spouse or life partner may not receive a similar allowance in respect of the same or another property;

9.5.1.1 The property in respect of which the employee applies to participate in the scheme must be:

9.5.1.2.1 Occupation of the house by the employee;

9.5.1.2.2 It being a completed building (no subsidy on vacant stands);

- 9.5.1.2.3 The bond must be registered in the employee or employee and spouse's name;
- 9.5.1.2.4 Bond must be with a registered financial banking institution;
- 9.5.1.2.5 Only one subsidy paid to co-habiting partners/married couples who both work for Council, and
- 9.5.1.2.6 The employee's spouse or life partner may not receive a similar allowance in respect of the same or another property.

9.5.2 CALCULATION OF HOME OWNERS ALLOWANCE

- 9.5.2.1 The home-owner's allowance payable to an employee is calculated in terms of the Main Collective Agreement and Salary and Wage Collective Agreement.
- 9.5.2.1 A home-owner's allowance is discontinued on the date on which any disqualifying change appears.
- 9.5.2.2 An employee who receives a home-owner's allowance may in writing authorise the Municipality to deduct the full amount of the compulsory instalment on such bond from his/her salary and to pay same, together with the employer's contribution, over to the relevant institution.
- 9.5.2.3 An employee may authorise the Municipality to deduct and pay over to the relevant institution an amount higher than the compulsory instalment on his/her mortgage bond. No home-owner's allowance is paid on an additional payment.
- 9.5.2.4 An employee who participates in the home-owner's allowance scheme must report to the Department Human Resource Services any changes during the period that he/she receives the allowance that may affect the payment or amount thereof.

9.5.3 ADMINISTRATIVE MEASURES

The following documents must accompany an application:

- 9.5.3.1 Water and electricity account of property in respect of which a subsidy is applied for.
- 9.5.3.2 Letter from a registered financial institution indicating the instalment and mortgage bond.
- 9.5.3.3 Letter from an attorney indicating the following:
- 9.5.3.4 Purchase price of the property;
- 9.5.3.5 Date on which the property was registered in your name;
- 9.5.3.6 Affidavit from husband/wife to confirm that he/she receives no subsidy;
- 9.5.3.7 Receipts of instalment/interest paid directly to the mortgager; and
- 9.5.3.8 Final settlement statement from a mortgager in respect of previous mortgage bond for which a subsidy was received.

9.6 NON-PENSIONABLE ALLOWANCE PAYMENTS

As per Salary & Wage Collective Agreement.

9.7 RETIREMENT CONTRIBUTIONS & BENEFITS

In accordance with the Main Collective Agreement and the Salary and Wage Collective Agreement.

9.8 MEDICAL AID FUND CONTRIBUTIONS & BENEFITS

In accordance with the Main Collective Agreement, the Salary and Wage Collective Agreement and Membership of Medical Schemes and Registration of Dependents on Accredited Medical Schemes Policy.

9.9 GROUP LIFE INSURANCE FUND CONTRIBUTIONS & BENEFITS

The Group Life Insurance is implemented through a tender process, valid for three years. Council contributes towards the Group Life Insurance Fund for employees for death- and disability cover at 2.5 x their annual

salary. Additional cover or spouse cover is also available at employee's own cost.

9.10 BARGAINING COUNCIL LEVY

In accordance with the Main Collective Agreement.

9.11 UNEMPLOYMENT INSURANCE FUND (UIF)

The UIF deduction is regulated and applied in accordance with Chapter 2 of the Unemployment Insurance Contributions Act, no. 4 of 2002.

9.12 TRADE UNION CONTRIBUTIONS AND DEDUCTIONS

Trade union contributions and deductions is regulated and applied in accordance with the Main Collective Agreement.

9.13 ESSENTIAL USERS MOTOR SCHEME

As per Essential Users Motor Scheme Policy.

9.14 TRANSPORT ALLOWANCE

As per Transport Allowance Policy.

9.15 CELL PHONE PACKAGES / CELL PHONE ALLOWANCES

As per Cell Phone and Data Policy.

9.16 OVERTIME PAYMENT AND TIME OFF IN LIEU OF OVERTIME

As per Overtime Policy.

9.17 NIGHT WORK ALLOWANCE

Night-shift work is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service.

9.18 STANDBY ALLOWANCE

Standby Payment Standby is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service of the Western Cape Division of the SALGBC and per Overtime Policy.

9.19 ACTING ALLOWANCE AND ADDITIONAL SERVICES RENDERED

Acting allowance and additional services rendered is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service of the Western Cape Division of the SALGBC and Acting and Additional Services Rendered Policy.

9.20 FURNITURE REMOVAL

As per Relocation Policy.

9.21 EMERGENCY WORK

In the case of emergencies owing to circumstances for which the employer could not normally have made provision, the Municipality may require employees to perform emergency work outside his/her normal working hours and remuneration for such emergency work shall be paid according to the provisions of clause 11 of the SALGBC Collective Agreement.

10. DEDUCTIONS FROM SALARY

10.1 The municipality shall not process payroll deductions if such deductions are not statutory related.

10.2 The Municipality must deduct from an employee's or councillor's monthly salary and pay the amounts deducted over to the relevant institution (where applicable), together with the Municipality's contribution (where applicable):

10.2.1 Income tax in terms of relevant legislation;

10.2.2 Unemployment insurance fund (UIF)

10.2.3 The employee's contributions to the group life, retirement and medical aid funds;

- 10.2.4 Any deductions ordered by a court of law;
 - 10.2.5 Any deductions authorised in terms of a law;
 - 10.2.6 Any deductions permitted in terms of a collective agreement;
 - 10.2.7 Bargaining Council Levy;
 - 10.2.8 Membership of unions;
 - 10.2.9 Home loans from pension funds;
 - 10.2.10 Bond instalments;
 - 10.2.11 Any fines and reimbursements imposed as a penalty for misconduct;
 - 10.2.12 Monies owed upon termination of service;
 - 10.2.13 Insurance policies (only from institutions who already have stop order facilities in place with the municipality – **no new facilities and new policies of approved institutions will be allowed**);
 - 10.2.14 Telephone / Cellphone calls;
 - 10.2.15 Municipal rates and service charges¹; and
 - 10.2.16 Political Party Membership Fees for Councillors.
- 10.2 Any deduction must be clearly shown on the employee's and councillor's salary advice.
- 10.3 Any other deductions are not allowed, it is for the employees or councillor's own account.

11. SALARY PAYMENT DATE

- 11.1 Salary payments will take place the 25th of every month or the closest working day thereto for all employees whether permanent, temporary or appointed on contract as well as Councillors, taking into

¹ Section 10 of the Code of Conduct for Municipal Staff Members: Local Government: Municipal Systems Act, Act 32 of 2000

consideration the bank cut-off times and related practical considerations

- 11.2 December salary payments will be on the date in accordance with approved programme of the Salary Section.
- 11.3 Closure for the submission of monthly payroll documentation for processing will be approved by the Chief Financial Officer and will be communicated to other Heads of Department.
- 11.4 No municipal official and/or Councillor will interfere in the processes of salaries and wages payments or to accentuate the Payroll Office to process payments outside the normal salaries and wages payment processes.

12. MANNER OF PAYMENT OF SALARY

- 12.1 The Director: Financial Services must ensure that the salary of an employee is paid directly into the bank account he/she designated, on the last Friday of each month or before the 25th day of each month.
- 12.2 Employees must be paid in South African currency.

13. SALARY ADVICE / PAY SLIPS

Every employee is entitled to receive a pay slip on or before every payday (electronically on the ESS system or hard copy), as contemplated in section 33 of the Basic Conditions of Employment Act. When an employee who cannot read so requests, the contents of the pay slip must be explained to him/her.

14. OVERPAYMENT / REPAYMENT

Bergvriervier Municipality reserves the right to recover from the employee's or councillor's remuneration any overpayment owed by the employee or councillor. The recovery will take effect after consultation with the employee or councillor including:-

- 14.1 The following of a fair procedure during which the employee or councillor is given reasonable opportunity to show reason why the recovery should not take place;

14.2 The total amount of the recovery does not exceed the actual amount overpaid;

14.3 No single deduction from the employee's or councillor's monthly remuneration will exceed one quarter of the cash portion of an employee's or councillor's monthly remuneration, provided that if an employee or councillor has resigned or an employee has retired, then the full amount overpaid will be recovered.

15. PAYMENT OF LAST REMUNERATION ON SERVICE EXIT OR IN CASE OF DEATH

Whenever the services of an employee or councillor are terminated, any monies that:

15.1 the employee or councillor owes to the Municipality, or the Municipality owes to the employee or councillor (excluding pro-rata bonus and leave pay out where applicable), will be paid on the 25th of the month via EFT, provided that the Municipality may deduct any amounts owed to it from an employee's final pay.

15.2 Final remuneration, in the case of dismissals, settlement agreements and retrenchments will be paid via EFT, on the date as agreed upon by the concerned parties.

15.3 All applicable outstanding earnings, such as leave balance, pro-rata bonus, -long service, -14th cheque, will also be paid via EFT; on the 25th of the month following the month the employee's or councillors' services was terminated and confirmation was received from the user department on all outstanding matters.

16. INTERIM PAYMENTS

16.1 All subsistence and travel claims submitted by Councillors and personnel for payment will be processed in terms of the Council's approved Subsistence and Travel Allowance Policy. All claims submitted before the 10th of the month, will be paid on or before the 15th of the month and claims submitted thereafter will be paid with the monthly salary.

16.2 All approved documentation relating to such subsistence and travel claims, approved by the relevant Head of Department must reach the

Payroll Office by not later than Tuesday, end of business. Such payments will only be processed on Thursdays for payment that will be released only on Fridays, the same week.

- 16.3 Where a claim for payment is received after the day determined as per paragraph (2), such claim may be considered for processed provided that such action will not place an unnecessary workload or undue pressure on the Payroll Office and Creditors section.
- 16.4 The submission of overtime claims, standby, shift allowance claims must reach the Payroll Office on/before the 10th day of the month. Such payments will be dealt with per normal monthly payroll procedures. Late submissions will only be dealt with in the following month.
- 16.5 The submission of any other human resource requests such as leave encashment (long service bonus), allowances, acting allowances and/or any other statutory related payments must reach the Payroll Office on/before the cut off dates annually determined by the Chief Financial Officer. Such payments will be dealt with per normal monthly payroll procedures
- 16.6 The municipality, through the Payroll Office, shall not issue “cash” to employees for payments relating travel and subsistence, overtime, standby, nightshift claims, etc. Such payments must electronically be transferred into the employees banking accounts. For claims on S&T’s banking details as registered on the payroll system will be used for payment. It is the responsibility of each councillor and official to ensure that their banking details are correctly provided to the Human Resource Section for payroll purposes. The Salary office will not be held liable for incorrect payment details and the subsequent delay in payments or disbursements because of incorrect information supplied.
- 16.7 The Head of Department is responsible to ensure that S&T claims be deducted from employees who cancel their meeting / workshop /course attendance.

17. DISPUTE RESOLUTION

- 17.1 Where a dispute may arise, this should be referred to the relevant structures for internal resolution (grievance procedure).

17.2 All parties shall be heard in the dispute resolution process.

17.3 In the event of the dispute not being resolved internally, it should be referred to SALGA.

18. BREACH OF THIS POLICY

Non-compliance with the policy stipulations will be regarded as misconduct.

19. DATE OF EFFECT OF THIS POLICY

This internal policy will be effective from the first day of the calendar month following the date on which Council has approved this internal policy.