



UMHLALBYALINGANA REMUNERATION AND INCREMENT POLICY

1. PREAMBLE

To attract and retain properly qualified staff to fill vacancies at all levels, it is the municipality's aim to maintain fair and competitive remuneration consistent with sector practices and all necessary regulations and collective agreements governing compensation of personnel in the local government sector.

2. DEFINITIONS

All terminology of this policy shall bear the same meaning as in the applicable legislation.

3. LEGAL FRAMEWORK

This policy is based on the:

- The Local Government: Municipal Systems Act, 2000
- The Labour Relations Act
- The Basic Conditions of Employment Act
- The SALGBC KZN Division Conditions of Service

4. SCOPE AND APPLICATION

The policy shall apply to all employees of Umhlabuyalingana Municipality except section 54 and 56 employees.

5. THE POLICY

All permanent employees with the exception of employees appointed in terms of Section 54/56 of the Municipal Systems Act and those on Fixed-term contracts shall be remunerated on the basis of a basic salary plus benefits. Their salaries shall be governed by the provisions of the South African Local Government Bargaining Council Agreements and shall be composed of:

- a. Basic Salary;
- b. The Municipality's contribution to an approved Retirement Fund;
- c. The Municipality's contribution to an approved Medical Aid Scheme;

d. An allowance approved by the Municipality, provided that qualifying criteria are met – such allowances are provided for in relevant policies.

5.1 Minimum wage

The minimum wage payable by the Municipality is determined through the SALGBC agreements, as promulgated by bargaining from time to time.

5.2 Pay Day

Umhlabuyalingana Municipality pays salaries and allowances on the 25th day of each month, provided it falls on a weekday. If it falls on Saturday, Sunday, Monday or public holiday, remuneration shall be paid on a working day that means if the 25th falls on Monday, the pay day shall be on Friday the 22nd of that month. Council may however decide to pay the December salary before the 25th for convenience reasons. All salaries and allowances shall be paid to an employee's personal bank account.

The December salaries shall be paid on the 15th of December every year. If it falls on Saturday or Sunday the salaries shall be paid on the 14th of December every year.

5.3 Types of Remuneration

This may be in the form of money, day off in lieu of overtime worked or an incentive in a form of an award which may be given to an employee for excelling in rendering services. An employee may receive a token, honorarium or a trip in recognition of his/her excellency.

5.4 Salary and related increases

The increase in salaries of employees within the Bargaining Unit shall be governed by Collective Agreements negotiated at the South African Local Government Bargaining Council (SALGBC).

Any benefits or conditions of service that ordinarily increases by virtue of its link to the increase in the salary of an employee, shall increase by the same rate as the salary increase in each financial year. Over and above the cost of living adjustment which will take into

account the CPI, similar adjustments are bargained for in relation to employer contributions to retirement funds and employer contributions to medical aid schemes.

5.5 Salary increment

An employee's salary shall be increased annually on his incremental date, unless he/she is informed in writing, with reasons, that in the opinion of the Municipality his work performance is unsatisfactory. Where a performance appraisal has been conducted and the outcome has indicated that his performance is unsatisfactory all processes in the Performance Management Agreement will need to be followed.

5.6 Salary deductions

The Municipality shall not make any deductions from its employee's remuneration unless:

- The employee agrees in writing to the deduction in respect of debt specified in the agreement or
- The deduction is required or permitted in terms of a law, collective agreement, court order or arbitration award.

Where the employee has caused loss or damage to the employer, then the employer may only make the deduction if it can prove in a disciplinary hearing that the loss or damage occurred in the course of employment and was due to the fault of the employee.

- The total amount of debt must not exceed the actual loss or damage to the employer and the total deductions from the employee's remuneration must not exceed 10% of his remuneration in money
- The employee will only be liable for the excess amount in terms of any insurance claim.

5.7 13th Cheque

Employees qualify for the payment of a non-pensionable annual bonus equal to one month's salary.

The 13th cheque shall be paid together with the December salary. A pro rata payment of an annual 13th Cheque in respect of an uncompleted years' service shall be made on termination of service by either party.

5.8 Overpayment/Repayment

Umhlabuyalingana Local Municipality reserves the right to recover from the employee's remuneration any overpayment owed by the employee. The recovery will take effect after consultation with the employee including: The following of a fair procedure during which the employee is given reasonable opportunity to show reason why the recovery should not take place; The total amount of the recovery does not exceed the actual amount overpaid; No single deduction from the employee's monthly remuneration shall exceed 10% of the cash portion of the employees' monthly remuneration.

5.9 No Cession

The employee does not have the right to cede or to transfer his remuneration or part of it to a third party.

6.IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once recommended by the Local Labour Forum and approved by Council.

7.COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

8.POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

9. BUDGET AND RESOURCES

The financial and resource implication/s related to the implementation of this policy should be qualified and quantified.

10. ROLES AND RESPONSIBILITIES

The Municipal Manager or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of this policy.

11. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

12. DISPUTE RESOLUTION

Any dispute arising from this policy due to ambiguous wording or phrasing must be referred to the Local Labour Forum for adjudication. Resolutions from the Local Labour Forum must be incorporated into the policy.

13. AUTHORITY

Council Approval:

Date:

30/05/2019

Council Resolution Number:

UMHC 220

Date:

30/05/2019

MM' Signature:

