

# **MODIMOLLE-MOOKGOPHONG LOCAL MUNICIPALITY**



## **POLICY ON OVERTIME WORKED AND OVERTIME RATES/STAND-BY AND LONG SERVICE FOR THE YEAR 2023 / 2024**

## **POLICY ON OVERTIME WORKED AND OVERTIME RATES/STAND-BY AND LONG SERVICE**

(Item xxxxxx – approved Council Meeting xxxxxxxx)

### **1. PREAMBLE**

The policy applies to all employees of the municipality except Section 56, 57 of the Municipal Systems Act, 2000 (Act 32 of 2000) and Extended Public Works (EPWP) beneficiaries and those employees excluded by earning more than the threshold amount as published by the Minister of Labour, from time to time.

### **2. DEFINITIONS**

**“Overtime”** - *the time the employee works during a day or week in excess of the employee’s ordinary hours of work.*

**“Emergency work”**- *work that must be done without delay because of circumstances for which the employer could not reasonable have been expected to make provision and which cannot not be performed by employees during their ordinary hours of work.*

**Emergency** - *work excludes the performance routine maintenance work. outside normal working hours. Structured overtime be defined as programmed planned overtime over which the employer has control that continue or take after normal working hours.*

**“Earnings”** - *the regular annual remuneration before deductions, i.e. income tax, pension, medical and similar payments bur excluding similar payments (contributions) made by the employer in respect of the employee; provided that subsistence and transport allowances received, achievement awards and payment for overtime worked shall not be regarded as remuneration for the purpose of this policy.*

**Standby** - *means a period determined by the municipality during which an employee shall be available for emergency and or overtime work outside his normal working hours.*

**Long Service Bonus** - *means remuneration and/or leave in respect of years of service.*

### **3. LEGAL FRAMEWORK**

Local Government: Municipal Finance Management Act 56 of 1903

Basic Conditions of Employment Act of 1997 (Act 75 of 1997)

Conditions of Service

Ministerial Determinations

Collective Agreement on conditions of service for the Limpopo Division of the SALGBC

#### **4. SCOPE OF APPLICATION**

This document describes the overtime; rates of pay and overtime rates for all employees of the Municipality.

Employees earning more than the overtime earnings threshold provided for in the Basic Conditions of Employment Act 75 (1997) as amended, 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 should agree beforehand on time off for overtime worked.

Employees earning less than the overtime earnings threshold provided for in the Basic Conditions of Employment Act 75 (1997) as amended, 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 75 (1997) as amended. The approving authority and the employee involved to agree beforehand on payment or time off for overtime work.

#### **5. OBJECTIVES OF POLICY**

To provide a framework and guideline for the implementation and maintenance of overtime worked, Standby Allowance, Long Service Bonus and the remuneration thereof.

To be an employer who has mechanisms in place to manage and remunerate overtime worked, Standby Allowance, Long Service Bonus.

To create rules and guidelines for the application, permission, monitoring, recording and remunerating of overtime, Standby Allowance, Long Service Bonus.

#### **6. PRINCIPLES**

Overtime, Standby Allowance, Long Service Bonus management is a basic management responsibility and rests with all managers at all levels.

##### **6.1 CONTENTS**

###### **(a) Responsibilities**

- Every manager/divisional manager has the responsibility for the constant monitoring, implementation, maintenance and management of the overtime and standby system.
- The Pay Office is responsible for the calculation and pay out of overtime, standby and Long service Worked and to ensure that all payments for overtime are duly authorised by a competent person.
- Designated managers and supervisors are responsible for coordinating and controlling system implementation and maintenance at operational level.

- Time sheets which indicates the starting and ending times of work must be kept for all employees who qualify for overtime and stand-by payment or time off in terms of this policy.
- Overtime worked and stand-by must be reflected on the employee time sheet, the line managers (Divisional Managers) are responsible to monitor and sign the time sheets on monthly / weekly basis.

**(b) Principles**

- Employees may not work overtime except in accordance with an agreement signed with the municipality.
- Overtime only commences after completion of ordinary daily or weekly working hours.
- Overtime can only be claimed for actual hours worked and exclude travelling time except for standby staff. Overtime for the latter group starts from, the time of call out.

**(c) Limitations**

If an employee agrees to work overtime, the employee may not work:

- Overtime except in accordance with an agreement
- More than 10 hours overtime per week (40 hours per month)
- Overtime worked in excess of 40hours can be captured in HR as per leave policy

**(d) Prior approval**

- No employee will be remunerated for overtime work unless such overtime has been recommended by the Supervisor, Divisional Manager, or Head of Department, and authorized by the Municipal Manager.
- A requisition form to work overtime must be filled, completed, signed and be approved by the Municipal Manager before overtime work is undertaken.
- An employee who provide essential services or who perform standby duty, their overtime is automatically approved when they are called out.
- Employees must complete the form upon arrival at their workplace, the following day

**(e) Remuneration**

Employees will be:

- i. Paid one and one-half times the employee's wage for overtime worked, or
- ii. Paid not less than the employee's ordinary wage for overtime worked and be granted at least 30 minutes' time off on full pay for every Hour of overtime worked; or
- iii. Granted at least 90 minutes' paid time off for each hour of overtime worked during working days
- iv. On termination all overtime accumulated and captured at HR shall be paid out at an ordinary rate.

**(f) Time frame**

The employer will pay the overtime pay on the employee's normal payday.

**(g) Operational Requirements**

Due to the business and operational requirements of the municipality, employees will be required to work overtime.

The employer may not require or permit an employee to work overtime or to work on Sundays or Public Holidays except in accordance with an agreement.

**(h) Overtime worked on Saturdays**

The employee will be granted paid time off within one month of the employee becoming entitled to it.

Employees who normally work a five day week will be :

- i. Paid one and one-half times the employee's wage for overtime worked, or
- ii. Paid not less than the employee's ordinary wage for overtime worked and be granted at least 30 minutes' time off on full pay for every hour of overtime worked; or
- iii. Granted at least 90 minutes' paid time off for each hour of overtime worked during weekdays

**(i) Overtime worked on Sundays**

Payment or time off to eligible employees for overtime worked on Sundays will be dealt with in terms of the Basic Conditions of Employment Act 75 (1997) as amended.

Employees, who normally work a five-day week, will be:

- i. Paid double the employee's wage for overtime worked, or

- ii. Paid not less than the employee's ordinary wage for overtime worked and be granted at least 60 minutes' time off on full pay for every hour of overtime worked; or
- iii. Granted at least 119 minutes' paid time off for each hour of overtime worked during weekdays

**(j) Overtime worked on Public Holidays**

Payment or time off to eligible employees for overtime worked on public holidays will be dealt with in terms of the Basic Conditions of Employment Act 75 (1997) as amended.

Employees who normally work a five-day week will be:

- i. Paid double the employee's wages for overtime worked
- ii. Paid not less than the employee's ordinary wage for overtime worked and be granted at least 60 minutes' time off on full pay for every hour of overtime worked; or
- iii. Granted at least 119 minutes' paid time off for each hour of overtime worked

**(k) Exemptions**

All staff members who are above the threshold as determined by the Minister of Labour, from time to time are exempted to be paid overtime with the exception of employees rendering emergency and essential services.

**(l) Calculations**

Calculations of Overtime Pay (Five-day work week)

- a. Employees who work a five-day work week are deemed to work 20.671 days to complete a full month based on the five-day workweek.
- b. The working week consists of 40 ordinary hours per week.
- c. The working day is deemed to consist of 8 working hours for which the employee is paid, and 45 minutes meal break which is not paid time.

**7. STAND-BY ALLOWANCE**

Standby duty allowance is a compensatory allowance which is paid to and employee when he/she is instructed to keep himself/herself readily available to work after normal working hours for standby duty.

7.1 The following formula will be used for the calculation of standby allowance:

Standby to be paid amounts to R891.09 per full week of standby duties or

Monday to Friday	:	R104.94 per day
Saturday	:	R157.25 per day
Sunday and Public Holidays	:	R209.66 Per day

7.2 Standby allowance will be increased annually by the amount agreed to at the National Level in respect of salary and wage increases.

7.3 If the employer requires an employee to be on standby, the the means of communication will be provided by the employer, if not, a cell phone or phone allowance will be paid.

7.4 The normal overtime tariffs are paid to standby duty employees for services rendered outside normal working hours.

7.5 In terms of the municipal transport allowance scheme, normal tariffs shall be paid to employees for actual kilometres to and from home travelling for standby /overtime duty.

7.6 Standby shall be paid to operational staff and in exceptional cases the Municipal Manager may designate other posts for ad hoc standby allowance.

7.7 Employees who are currently receiving payments for standby allowance who is more favourable than the above can retain these allowances on a contractual-to-holder-basis.

7.8 An employee is entitled to a standby allowance when he/she is requested in a written instruction by the Municipal Manger or his/her delegate to be available for the active service outside normal working hours.

7.9 The standby allowance shell be payable on the following conditions:

- An employee shall not be on standby for more than two weeks per month unless operational requirements dictate otherwise.

## **8. LONG SERVICE RECOGNITION**

**8.1** An employee who was appointed after 1<sup>st</sup> July 1986 shall qualify for the following additional leave as recognition for long service at the same employer, which shall only on the date on which the various periods of continues service have been appointed.

10 years services	:	10 working days
15 years services	:	20 working days
20 years services	:	30 working days
25 years services	:	30 working days
30 years services	:	30 working days
35 years services	:	30 working days
40 years services	:	30 working days
45 years services	:	30 working days

**8.2** An employee who was appointed before 1<sup>st</sup> July 1986 shall qualify for long service recognition on an individual "contractor to holder" principle on the 5% bonus scheme as was applicable up to 1<sup>st</sup> July 1986.

**8.3** The long service recognition leave may be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.

**8.4** When an employee terminates services, long service recognition leave balance does not form part of the overhead maximum of forty-eight (48) days leave that may be paid out as per the main agreement.

**8.5** Long Service may further be acknowledged by a symbolic occasion and certificate.

**8.6** Employees whose benefits in terms of the existing long service recognition schemes are more favourable benefits for the duration of their employment.

**8.7** The initial date of permanent appointment of an employee shall be maintained for the purposes of determining the actual service period of the employee and for the calculation of the long service bonus.

**8.8** Long service recognition re will be pro-rated for employees on termination of service.

## **9 IMPLEMENTATION AND MONITORING**

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

## **10. COMMUNICATION**

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

## **11. BUDGET AND RESOURCES**

The employer shall provide the necessary resources for the implementation of this Policy.

## **12. RECORD KEEPING**

All documentation and correspondence emanating from or relating to this policy will be kept on personal files or records office files as dictated by the nature of the issue.

## **13. DISPUTE RESOLUTION**

Any dispute arising from this policy referred to Council.

**14. NON-COMPLIANCE**

Non-compliance of any of the stipulations contained in this policy will be viewed as misconduct.

**15. REVIEW AND APPROVAL**

This policy will be approved and amended on an annual basis or each time any Act or Conditions of Service or other agreements deem it necessary.

**16. STAKEHOLDERS**

Consulted Local Labour Forum:  
Consulted Audit Committee  
Consulted Portfolio Committee  
Municipal Manager recommends  
EXCO recommend

**COMMENCEMENT**

This policy will be effective on the 01 July 2023.

---

**MUNICIPAL MANAGER**