



# **VHEMBE DISTRICT MUNICIPALITY**

## **OVERTIME POLICY (REVIEW)**

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## 1. PREAMBLE/ BACKGROUND

Working hours are regulated in terms of relevant labour legislation and all employees are expected to adhere to such conditions. The Main collective agreement sets the working hours of employees, excluding Senior Management and emergency personnel and the others as defined per contractual agreement, to 40 hours per week.

Nevertheless the working environment and requirements do from time to time require employees to work for more hours than the stipulated ones.

Furthermore the Minister of Labour has with effect from 01 July 2012 determined the earning threshold of which employees earning above it are excluded from the application of section 9, 10,11,12,15,17(2) and 18(3) of the Basic Conditions of Employment Act (Act No.75 of 1997) at R183 008-00 per annum.

## 2. DEFINITION AND TERMS

<b>Overtime:</b>	the time the employee works during a day of week in excess of the employee's ordinary working hours.
<b>Emergency work:</b>	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 ordinary hours of work.
<b>Structured overtime:</b>	planned overtime over which the employer has control that continue or take place after normal working hours
<b>Earnings:</b>	gross pay before deductions
<b>Wage:</b>	the amount of money paid or payable to an employee in respect of ordinary hours of work
<b>Remuneration:</b>	compensation in money or time off for overtime worked
<b>Deductions:</b>	the deductions required by law namely income tax, pension, medical aid, UIF etc

## 3. PURPOSE

To conform to the determination of earnings thresholds as issued by the Minister of Labour in terms of Regulation Gazette no. R. 429 dated 1 June 2012

This policy will prescribe the overtime rates to be used to compensate Council employees who performed overtime work.

To provide control mechanisms on the performance of overtime by council employees.

#### **4. SCOPE OF APPLICATION AND EXCLUSION**

This policy is applicable to all employees and interns of Vhembe District Municipality except employees employed in terms of Section 57 of the Municipal Systems Act, Act 32 of 2000

Senior Management as defined in the Basic Conditions of Employment Act 75 of 1997 as amended, will not be covered by this policy in respect of overtime payment

Employees earning more than the overtime earnings threshold in terms of the Basic Conditions of Employment Act 75 of 1997 as amended will be provided time-off for overtime worked.

Employees earning less than the overtime threshold provided for in the above act will be remunerated for overtime worked

In the event of any inconsistency between this policy and any National and other Local Government related legislation, such legislation prevails

#### **5. OBJECTIVES**

To provide a framework and guidelines for the implementation and maintenance of overtime worked and the remuneration thereof

#### **6. LEGISLATIVE FRAMEWORK**

This policy is influenced by the following pieces of legislations:

- Basic Conditions of Employment Act (Act 75 of 1997)
- Labour Relations Act (Act 66 of 1995)
- Government Notice no. R.429 dated 01 June 2012, Department of Labour

#### **7. LIMITATIONS**

7.1 If an employee agrees to work overtime, the employee may not be required or allowed to work:

- More than 10 hours overtime per week
- More than 3 hours per day
- Overtime except in accordance with an agreement

- 7.2. No employee will be remunerated for overtime worked unless such overtime has been budgeted for, authorized by the General Manager or delegated Supervisor or if required in terms of an emergency situation.
- 7.3. Overtime only commences after completion of ordinary daily working hours
- 7.4. Overtime can only be claimed for actual hours worked, and exclude travelling time.
- 7.5. Overtime claimed should not exceed 30% of basic salary per month except with the approval of Council.
- 7.6. Delegations to meetings, conferences, workshops or any other gathering even during weekends shall not be deemed to constitute overtime for the purpose of this policy.
- 7.7. No overtime will be paid for attendance of functions/prize giving etc. by personal invitation except in the cases of compulsory attendance as official representative of Vhembe District Municipality and provided that such overtime is authorized in advance by the Municipal Manager

## **8. REMUNERATION**

In accordance with the Basic Conditions of Employment Act 75 of 1997, all employees who work overtime are eligible to be remunerated for such overtime worked unless agreement is reached contrary to the above.

## **9. PAY FOR OVERTIME**

If an employee works overtime the Council shall compensate such employee 1.5 times the hourly wage in respect of the number of hours worked for week days and Saturdays. An employee shall be remunerated at double the hourly wage in respect of hours worked on Sundays and Public holidays. This is per the Basic Conditions of Employment Act 75 of 1997

### **9.1 CRITERIA FOR PAYMENTS**

Other factors need to be considered with regard to the payment of overtime, namely financial restrictions on the part of the Employer. Therefore it is recommended that the following criteria be applied:

#### **9.1.1 Salary range equal and greater than R183 003 per annum**

Any employee that earns in excess of R183 003 should not be remunerated in monetary terms (basic condition of employment act 75) for overtime.

Should the need arise for such an employee to work overtime , such overtime will be permitted on the understanding and agreement that it shall consist of time off instead of monetary compensation.

Time off granted shall be ninety (90) minutes for each hour of overtime worked during the week and on Saturdays. Time off for overtime worked on Sundays shall be one hundred and twenty minutes (120).

The taking of time off by an employee will be forfeited if not taken within one month's time but may for operational reasons, be extended to a maximum of six months by the General Manager.

Time-off cannot be en-cashed and upon termination of service this specific leave cannot be en-cashed.

### **9.1.2 Salary range less than R183 000 per annum**

Should the need arise for an employee within the above levels to work overtime, such an employee will be paid as per paragraph 9.

## **10. PROCEDURE**

Should it become apparent that overtime is required in order for business objectives to be achieved the following needs to be adhered to:

- Written request to the relevant General Manager by Manager or Supervisor
- General Manager to check if budget is available
- General Manager to recommend request
- Manager or Supervisor to approve overtime request prior to overtime work commencing except in cases of emergency where approval will be signed post facto.
- General Manager or designated representative to authorize overtime in case of emergency

**Payment:** Overtime request and claim form to be submitted together with Overtime schedule to Human Resource for payment. All overtime claims are to be submitted by the 10<sup>th</sup> of each month in order to be paid in the same month, otherwise payment shall be made the following month

**Leave:** Overtime request form to be submitted with overtime schedule for those employees earning R183 003 and above to the Human Resource Department for recording. A leave

form is to be completed by an employee wishing to take time off for overtime worked. The leave form must reflect the period worked as overtime.

## **11. ADMINISTRATIVE MEASURES AND CONTROL**

Each General Manager 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 does not occur, it is justified and provided for timeously

Each General Manager is responsible and accountable to provide the Human Resource Department with a list of officials or representatives (names, signatures, section) who are authorized in terms of the delegated powers to approve overtime work and overtime payment. It is the responsibility of each General Manager to update and maintain the information on the list. The authorizing bodies must determine whether the information on the overtime form is accurate before they authorize the form for payment.

The payroll or any other person executing overtime payment is responsible to ensure that all payments for overtime are duly authorized by a competent authority.

Attendance register 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 serve as source documents to complete time sheets.

Overtime worked must be reflected on the employee's attendance register. Managers and Supervisors are responsible to monitor and sign attendance registers on a weekly basis.

## **12. ADMINISTRATION OF THE POLICY**

The Office of the General Manager (Corporate Services) and Senior Manager HRM will be assigned to administer and enforce the policy.

All General Managers will be delegated to administer and enforce the policy in their own Departments.

## **13. DESIGNATED STRUCTURE/ AUTHORITATIVE BODY**

The Executive council through the office of the Municipal Manager shall have the authority to approve the policy

## **14. IMPLEMENTATION AND REVIEW**

This policy will take effect by Council Resolution after it shall have been discussed at the Local Labour Forum

It will be amended by Ministerial determination of the Earnings Threshold as published in the Government Gazette.

It will be reviewed and amended as the need arises.

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**LOCAL LABOUR FORUM**

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**DATE**

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**MUNICIPALI MANAGER**

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**DATE**

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**COUNCIL**

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**DATE**