

## OVERTIME AND SHIFT ALLOWANCE POLICY FOR THE AMAHLATHI LOCAL MUNICIPALITY

<b>Council Resolution Number:</b> 06/2023/24 Ordinary Council Meeting	<b>Approved Date</b> 28 June 2024
<b>Review Date:</b> 11 & 12 June 2024	<b>Effective Date:</b> 01 July 2024

  
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CLLR. NP MLAHLEKI  
SPEAKER OF COUNCIL

28/06/2024  
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<b>OVERTIME AND SHIFT ALLOWANCE POLICY</b>	
<b>Policy Status</b>	Active
<b>Version</b>	2014
<b>Date of First Implementation</b>	01 July 2018
<b>Date Last Amended</b>	28 June 2024
<b>Date of Next Review</b>	30 June 2025
<b>Purpose</b>	To provide guidance in the calculation of overtime worked by Municipal employees and the remuneration thereof as provided for in the Basic Conditions of Employment Act 1997, (Act no 75 of 1997) and related Collective Agreements.
<b>Aims and Objectives</b>	To provide control mechanisms on the performance of overtime, shift work and stand-by allowances.
<b>Policy Custodian</b>	Director Corporate Services
<b>Related Policies and Legislation</b>	Local Government: Municipal Systems Act
<b>Applicability</b>	Amahlathi prospective and existing employees
<b>Policy Benchmark and References</b>	Regional, District, Metro and Provincial Government – COGTA and SALGA
<b>Stakeholders Consulted</b>	Local Labour Forum (LLF); Technical Committee; Institutional Committee; SALGA and COGTA.
<b>Date of Approval</b>	28 June 2024
<b>Approving Authority</b>	Council

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**AMAHLATHI LOCAL MUNICIPALITY  
OVERTIME AND SHIFT ALLOWANCE POLICY**

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1. DEFINITIONS

TERM	DEFINITION
<b>Overtime</b>	Means the time the employee works during a day or week in excess of the employee's ordinary hours of work.
<b>Emergency work</b>	Means any work which, owing to a disruption in <b>essential services</b> , or owing to <b>fire, accident, storm, epidemic, act/s of violence, theft, breakdown of plant or machinery</b> , or any other unforeseen circumstances is required to be done without delay outside normal working hours.
<b>Structured overtime</b>	Is defined as programmed/planned overtime over which the employer has control including Council, Committee and official meetings of which minutes have been kept that continue or take place after normal working hours.
<b>Earnings</b>	Refer to the retirement fund income or the basic salary for the post whichever is applicable.
<b>Section 56 Managers</b>	are those employees who are designated in terms of the Municipal Systems Act and who report directly to the Municipal Manager, including the Municipal Manager.
<b>Shift Work</b>	Refers to work of a continuous nature which is assigned to employees on a rotational basis for which employee become eligible for shift allowance as contained in the Collective Agreement and in accordance with the Basic Conditions of Employment Act.
<b>Stand-By Work</b>	Refers to employees who are required to be on the alert for a call-out in the event that they are required to present themselves for duty for which they become eligible for Stand-By Allowance as provided for in the Collective Agreement.

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## **2. PURPOSE OF THE POLICY**

- 2.1 To provide guidance in the calculation of overtime worked by Municipal employees and the remuneration thereof as provided for in the Basic Conditions of Employment Act 1997, (Act no 75 of 1997) and related Collective Agreements.
- 2.2 This policy will prescribe the overtime rates to be used to compensate employees who perform overtime, shift and stand-by work.
- 2.3 To provide control mechanisms on the performance of overtime, shift work and stand-by allowances.

## **3. SCOPE AND APPLICATION**

- 3.1 Senior managerial employees, as defined in the Basic Conditions of Employment Act, including any employee earning a basic salary equivalent to or above the earning threshold amount as published by the Department of Labour, do not qualify for any overtime payment.
- 3.2 Employees earning less than the overtime earnings threshold amount as published by the Department of Labour, will be remunerated for overtime or be given time off in lieu of overtime worked at the rates provided in the Basic Conditions of Employment Act.
- 3.3 The Municipality may apply for exemption from this threshold to the appropriate authorities. The scope of this policy excludes Section 56 managers.
- 3.4 Employees who earn above the threshold as declared by National Minister in terms of Basic Conditions of Employment Act are not permitted to receive overtime pay and are required to take time off in lieu of pay.
- 3.5 Fire, Traffic, Security and Electricity services are deemed as essential services and therefore perform shift work. In an instance where they have performed emergency work, payment thereof shall apply as per paragraph 5, below.

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#### 4. THE POLICY

- 4.1 An employee may for operational reasons, be required to work overtime and any employee appointed into the service commits themselves into a contract to this effect with Council.
- 4.2 The Municipality may not require an employee to work for a longer period of overtime for more than 10 hours during any week, and 3 hours on any work day except at the request of management and by agreement.
- 4.3 Overtime work is subject to prior written approval by the Head of Department/his or her assignee and no overtime may be worked without such written approval being obtained, except in cases of work related to emergency situations.
- 4.4 For emergency overtime the supervisor may give verbal approval to the working of overtime provided that such approval is followed-up with written confirmation by the Head of Department.
- 4.5 Written standing approval may be granted where justified for operational requirements.
- 4.6 Only officials with delegated authority may approve overtime work and overtime payment.
- 4.7 Overtime only commences after completion of ordinary daily and weekly working hours. Overtime can only be claimed for actual hours and excludes travelling time except for stand-by staff. Overtime for the latter group starts from the time of call out.
- 4.8 No overtime can be claimed should an employee work short time on a specific day.
- 4.9 A full day's work (normal working hours and a lunch break of at least 45min) must first be worked before such employee is eligible for overtime.
- 4.10 In cases of compulsory attendance as an official representative of the Municipality provided that such employee qualifies for overtime in terms of this policy and provided further that such overtime is authorised in advance by the Municipal Manager/ Head of Department.

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## **5. PAYMENT OF SHIFT WORKERS**

- 5.1 Shift Allowance is equal to 6% of the employee's annual basic salary and is payable monthly.
- 5.2 The allowance shall be increased annually in conjunction with the salary increases.
- 5.3 In the case of an emergency owing to circumstances for which the municipality could not normally have made provision, the employee may be required to perform emergency work outside his normal working hours and remuneration for such emergency work shall be paid as follows:
- a) Monday to Saturday: 1.5 x normal rate of pay.
  - b) Sundays and Public holidays: 2.0 x normal rate of pay.

## **6. OVERTIME WORKED**

- 6.1 MONDAY TO SATURDAY: Overtime hours worked above 8 hours per day or 40 hours per week is calculated at 1.5 x rate.
- 6.2 SUNDAYS: Overtime hours worked on Sundays above 40 hours per week calculated at 2 x rate.
- 6.3 PUBLIC HOLIDAYS: Overtime hours worked on a Public Holiday above 40 hours per week calculated at 2 x rate.

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

- 7.1 Each Head of Department in consultation with Corporate Services shall be 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.
- 7.2 The authorizing persons must determine whether the information on the overtime form is accurate and correct before they authorize the form for payment.
- 7.3 The person authorizing overtime payment is responsible to ensure that all payments for overtime is duly authorized by the Head of Department.

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- 7.4 Attendance registers/time sheets including an **Exception Report** (i.e. vehicle tracker report / proof of hall/cemetery payment / dated and time stamped pictures / recorded GPS route), which should indicate starting and ending times for various categories of overtime, must be kept and submitted for claims by qualifying employees.
- 7.5 Attendance registers/time sheets/ exception reports serve as source documents to complete overtime sheets.
- 7.6 Overtime worked must be reflected on the employees' attendance register/time sheet. Line managers and/or supervisors are responsible to monitor and sign time sheets on a monthly/weekly basis.
- 7.7 The Payroll Office is responsible for the calculation and pay out of overtime, shift allowance and stand-by allowance worked.

## 8. STAND-BY ALLOWANCE

- 8.1 When an employee, by resolution of the Municipality, makes himself available on a standby basis for active overtime services outside normal working hours, he/she shall be entitled to a standby allowance calculated on the following basis:
- 8.1.1. The daily standby allowance tariff = the annual basic salary of incumbent ÷250/8.
- 8.1.2. Stand by allowance is payable per day and shall be calculated as follows:
- Monday to Friday: 1 x daily tariff
- Saturday: 1,5 x daily tariff
- Sunday and Public Holidays: 2 x daily tariff
- 8.1.3. An employee on stand-by duty called out to perform actual work shall be paid at the appropriate rate of overtime as determined in collective agreement or as provided for in the applicable legislation.
- 8.2 The Stand-by allowance shall be payable on the following conditions only:

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- 8.2.1 When an employee is required to be available for duty for a period of at least eight hours during a 24-hour period (based on a 40-hour working week) after normal working hours.
- 8.2.2 Stand-by shall not exceed a calendar week provided that an employee shall not be on stand-by for more than two weeks per month, save where operational requirements dictate otherwise.
- 8.2.3 Employee must be appointed and authorised by the relevant supervisor and Head of Department to perform stand-by duties.
- 8.2.4 Employee should reside within a 20km radius from the workplace. The employee is required to reach the required destination within 45 minutes from the time of call-out, if for unforeseen reasons you cannot arrive within the 45 minutes time you are required to contact your direct line manager to inform them of your delay.
- 8.3 When an employee is placed on stand-by it is expected that he/she will be within a reasonable radius of not more than 20 kilometres from the workplace so that he/she is readily available for duty when called out.
- 8.4 The employee shall be eligible for stand-by allowance calculated in accordance with the Collective Agreement.
- 8.5 Should an employee be appointed to be on stand-by after the normal working hours he/she will be eligible for stand-by allowance for the particular day(s) of appointment in accordance with the collective agreement regardless of whether he/she is called out.
- 8.6 In the event that an employee is called out after his/her normal working hours he/she will become entitled to an overtime rate (weekdays at 1.5 and Sunday/Public Holidays at double time) for hours worked (Excluding those who are above threshold) plus stand-by allowance in accordance with the Collective Agreement.
- 8.7 Volunteer Fire Fighters must be appointed to be on stand-by before becoming eligible for stand-by allowance which shall be paid according to hours worked at standard rate plus stand-by allowance in accordance with the Collective Agreement.

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## **9. MONITORING AND EVALUATION**

Corporate Services shall be responsible for continuous monitoring of payment of overtime, shift and stand-by allowances and bring reports on patterns to council from time to time.

## **10. IMPLEMENTATION OF THE POLICY**

- 10.1 The policy will be communicated throughout the municipality. It will be posted on the Municipal Website for purposes for ease of accessibility by users.
- 10.2 The policy will be signed-off by the Mayor / Speaker and the Municipal Manager as a commitment to its implementation and adherence thereto.
- 10.3 Successful implementation of this policy will be evidenced by effective and efficient administrative processes in relation to departing employees as well as fewer complaints from departing employees with regard to issues of terminal emoluments and notice periods.

## **11. VIOLATION AND ENFORCEMENT**

The violation of this policy may lead to disciplinary processes taken against the offender.

## **12. DEVIATION FROM THE POLICY**

Any deviation that affects the contents of this policy shall be sanctioned by Municipal Manager; his/her nominee subject to rectification by council.

## **13. DISPUTE RESOLUTION**

Any dispute relating to both the interpretation of provision of the policy as well as the municipality decision on any specific matters shall be dealt with in accordance with the dispute resolution mechanism provided for in the applicable Labour Relations Legislation.

## **14. POLICY AUDIT**

Audits will be conducted on the policy annually to determine its impact in achieving the objectives it is set out to achieve as well as alignment to the process.

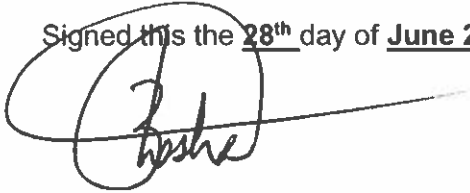
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**15. ADOPTION AND APPROVAL OF THE POLICY BY COUNCIL**

This policy is adopted and approved by Amahlathi Local Municipality Council for implementation from (Effective Date) 01 July 2024

Approved by Resolution Number 6 of 9.2 on this the 28<sup>th</sup> day of June 2024.

Signed this the 28<sup>th</sup> day of June 2024.



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**DR Z. SHASHA**  
**MUNICIPAL MANAGER**

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**DATE**

  
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**CLLR N. MLAHLEKI**  
**SPEAKER OF COUNCIL**

28/06/2024  
**DATE**

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