

INGQUZA HILL LOCAL MUNICIPALITY

OVERTIME, SHIFT AND STAND-BY ALLOWANCE POLICY

REVIEWED: 2025

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1. PURPOSE OF THE POLICY

- 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.
- This policy will prescribe the overtime rates to be used to compensate employees who perform overtime, shift allowance and stand-by allowance.
- To provide control mechanisms on the performance of overtime, shift work and stand-by allowances.

2. DEFINITIONS

- **Overtime-** means the time the employee works during a day or week in excess of the employee's ordinary hours of work.
- **Emergency work-** refers to 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 their normal hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours.
- **Structured overtime-** 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.
- **Earnings-**refer to the retirement fund income or the basic salary for the post which-ever is applicable.

- **Section 56 Managers-** 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.
- **Shift Work-** 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.
- **Stand-By Allowance** – 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.

3. Policy Statement

- This policy is applicable to all Municipal staff excluding the Municipal Manager, Managers accountable to the Municipal Manager, Middle Management and EPWP falling within a designated scope of the Municipality as an administration. 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 but may negotiate terms and conditions relating to overtime worked.
- 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.
- The Municipality may apply for exemption from this threshold to the appropriate authorities. The scope of this policy excludes Section 56 managers.

4. LEGISLATIVE FRAMEWORK

- Constitution of the RSA Act, 200 of 1993
- Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Basic Condition of Employment Act 75 Of 1977
- Labour Relations Act 66 of 1995
- SALGA main collective agreement
- Consolidated Collective Agreement on Conditions of Services for the Eastern Cape division

5. POLICY CONTENT

5.1. POLICY PROCEDURE AND APPLICATION

- 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.
- 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.
- 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.
- 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.
- Written standing approval may be granted where justified for operational requirements.
- Only officials with delegated authority may approve overtime work and overtime payment.
- 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 where there is any. Overtime for the latter group starts from the time of call out.
- No overtime can be claimed should an employee work short time on a specific day.
- 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.
- 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.

5.2 NON-SHIFT WORKERS/SHIFTWORKERS

- **SUNDAYS:** An employer must pay an employee who works on a Sunday at double the employee's wage for each hour worked, unless the employee

ordinarily works on a Sunday, in which case the employer must pay the employee at one and one-half times the employee's wage for each hour worked. S16(1) of the BCEA 75 of 1997

- **PUBLIC HOLIDAYS**: Overtime hours worked on a Public Holiday above 40 hours per week calculated at 2 x rate.

5.3 **PAYMENT OF OVERTIME FOR SHIFT WORKERS**

- If a shift worked by an employee falls on a Sunday and another day, the whole shift is deemed to have been worked on the Sunday, unless the greater portion of the shift was worked on the other day, in which case the whole shift is deemed to have been worked on the other day.
 - **MONDAY TO SATURDAY**: Normal working days for employees ordinarily works on weekends.
 - **SUNDAYS**: Overtime hours worked on Sundays are calculated at 1,5 x rate for employees ordinarily works on a Sunday.
 - **PUBLIC HOLIDAYS**: Overtime hours worked on a Public Holiday are calculated at 2 x rate.
 - **SHIFT ALLOWANCE** 6% of the basic salary is payable to all shift workers as per Consolidated Collective Agreement on Conditions of Services for the Eastern Cape Division
 - **NIGHT WORK** means work performed after 18:00 and before 06:00 the next day, A night work allowance of R11,54 per hour shall be paid for night work performed, this amount will be increased annually in accordance with salary increases as agreed upon at National Level.

5.4. **STAND-BY ALLOWANCE (Where applicable)**

- Employee must be authorised by the relevant supervisor in order to be eligible for stand-by allowance payment.
- When an employee is placed on stand-by it is expected that he/she will be within a reasonable radius so that he/she is readily available for duty when called out.
- The employee shall be eligible for stand-by allowance calculated in accordance with the Collective Agreement.
- Should an employee ***not be called out*** he/she will still be eligible for stand-by allowance payment calculated in accordance with the Collective Agreement.
- Should an employee be appointed to be on stand-by after the normal working hours he/she will be eligible for stand-by allowance regardless of whether he/she is called out.
- In the event that an employee is called out after his/her normal working hours he/she will become entitled to an overtime rate (week-days at 1.5 and Sunday/Public Holidays at double time) for hours worked plus stand-by allowance in accordance with the Collective Agreement.
- Nominated Fire Fighters shall be paid according to hours at worked at standard rate plus stand-by allowance in accordance with the Collective Agreement.
- Nominated Fire Fighters ***must be appointed*** to be on stand-by before becoming eligible for Stand-by Allowance payment.

5.5. **PAYMENT OF EXCESS HOURS OF OVERTIME**

The Consolidated Collective Agreement on Conditions of Services for the Eastern Cape division states that all employees must work 40 hours per week and all hours in excess thereof shall be deemed as overtime. The maximum permissible overtime as per section 10 of the Basic Conditions of Employment Act is 10 hours in any one (1) week. No overtime will be paid in excess of 40 hours per month.

6. RELATED DOCUMENTS

6.1. REQUIRED DOCUMENTS FOR EXCESS HOURS WORKED WEEKLY AND DURING FESTIVE SEASON

- (a) Pre authorization form signed by the head of department.
- (b) Attendance registers stating that employees were actually on duty.
- (c) Duty rooster where applicable.
- (d) Any other document that will assist the employer in making such payment.

The employer may from time to time to curb the excess overtime worked by employees, withhold remunerating overtime and employees be given time off in lieu of overtime worked in order to comply with the BCEA, Occupational Health and Safety Legislations.

All employees earning in excess of threshold per annum be excluded in Overtime payments, as regulated by the Government Gazette issued every year.

7. ADMINISTRATIVE MEASURES FOR MANAGING AND CONTROL OF OVERTIME

- Each Head of Department 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.
- The authorizing persons must determine whether the information on the overtime form is accurate and correct before they authorize the form for payment.
- The person authorizing overtime payments is responsible to ensure that all payments for overtime is duly authorized by the Head of Department. Attendance registers/ pre- authorisation including an **Exception Report**, which should indicate starting and ending times for various categories of overtime, must be kept for all employees who qualify for overtime payment or time off in terms of this policy.
- Attendance registers / pre- authorisation / exception reports serve as source documents to complete overtime sheets.
- Overtime worked must be reflected on the employees' attendance register/time sheet. Line managers and/or supervisors are responsible to monitor and sign time exception reports on a monthly/weekly basis.

- The Payroll Office is responsible for the calculation and pay out of overtime, shift allowance and stand-by allowance worked.

8. MONITORING AND EVALUATION

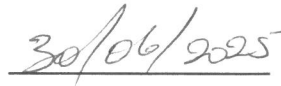
The Department of Corporate Services & affected Departments shall be responsible for continuous monitoring of payment of overtime, shift allowance and stand-by allowances (where applicable) and bring reports on patterns to the Municipal Manager from time to time.

9. APPROVAL

This policy will come into effect on the date of adoption by Council and be signed off by the following:



CLLR S.B VATSHA
THE HONORABLE SPEAKER



DATE