

**FORT COX AGRICULTURE AND FORESTRY TRAINING INSTITUTE**

Fort Cox Agriculture and Forestry Training Institute policies will be recorded on the institutional policy catalogue, will be available at the library and on the institute website, (as <http://www.fortcox.ac.za/policies/>) which will be regularly updated. As it is important to provide critical information such as when the policy was introduced, what it aims to achieve and who has responsibility for its implementation and review.

**REMUNERATION POLICY**

**POLICY PARTICULARS**

DATE OF APPROVAL BY CHAIRPERSON: COUNCIL: 31 | 10 | 2019

COMMENCEMENT DATE: 1 January 2019

REVIEW DATE: at 1 January 2021

**RESPONSIBILITY:**

- IMPLEMENTATION & MONITORING: Human Resources together with Managers/Supervisors
- REVIEW AND REVISION: Human Resource in consultation with the Unions and Managers/Supervisors

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## REMUNERATION POLICY

### 1 PREAMBLE

The Fort Cox College of Agriculture and Forestry Training Institute aim at providing a fair and equitable remuneration system to all its employees. A cost to employer concept of determining and expressing employee package has been adopted in line with Public Service Remuneration System, as per collective bargaining agreement, labour legislation and best practice.

### 2 Purpose

The purpose of the Employer's remuneration policy is to:

- Provide uniformity within the Institute as to remuneration issues;
- Have a fair basis for determining packages and increases;
- Provide a uniform base for calculating contribution and premiums that may be determined according to salary, remuneration, and/ or other benefits;
- Ascertain eligibility for the various allowances and avoid any misunderstandings in this regard;
- Ensure compliance with applicable tax legislation

### 3 Procedure

The Human Resources Department, finance Department and Payroll Administration are responsible for all pay procedures.

#### 3.1 Definition of terms

##### Remuneration

It is an amount of money paid to someone for the work that person has done

##### Premium

It is a sum of money that you agree to pay regularly to a particular organisation/insurance

##### Increment

It is an amount by which something/salary increases or grows

##### Compensate

It is to pay someone for services performed, to repay someone for someone wrong or something Positive exists to make up for something negative

##### Allowance

It is the amount of something/sum of money that is permitted, especially within a set of regulations or For a specified purpose

##### Reimbursement

It is compensation paid to someone for damages or losses or reparation

### 4. Guidelines

Various issues resort under this policy document as dealt with below:

#### 4.1 Salary and benefit package

In line with the necessity to harmonize and standardize employment practices, including remuneration and benefit packages, the Institute has adopted a cost to employer concept of determining and expressing employee packages. This is in line with labour legislation and consequent market trends.

The concept of cost to employer in essence means that amounts paid by an employer directly to, on behalf of, or for the benefit of an employee are all included in their remuneration package. See attached example: - A 13<sup>th</sup> cheque can be included into annual cost employer employees. The 13<sup>th</sup> cheque does not form part of pensionable salary.

**4.2 Pay day and procedure**

The cash portion of the cost to employer packages to the Institute employees are payable on a monthly basis. Pay day is on the 15<sup>th</sup> of each month.

In the event that an employee voluntarily resigns, pay day is the last day of service.

Normal deduction as required by laws and/or agreed upon by the parties will be prior to payments to the employee.

**4.3 Increments (Annual Review)**

All employees of Fort Cox Institute will have their cost to employer packages reviewed annually in accordance with the Institute wide annual review calendar.

In establishing broad salary and benefit parameters the Institute refers to the Public Service Remuneration System and relevant market related norms. The Institute attempts to compensate individuals based on market surveys and the special skills that employees possess. All cost to employer package increase should, in normal circumstances, fall within the specified budget limits of each department/business unit.

**4.4 Anniversary increment**

Anniversary increment will be paid to eligible Institute employees in the anniversary month of his/her employment date. Employees who leave the employment of Fort Cox Institute prior to the end of the said month are not entitled to a bonus. A pro rata amount will be paid to employees who are employed by the Institute for part of a year. Bonuses are paid at a fixed percentage. Payment is dependent on the annual financial results of the employer and/or any other factors as determined by the Institute from time to time.

Incentive bonuses do not form part of employees' cost to employer package.

**4.5 Termination pay/leave gratuity**

Payable to permanent employees on termination of service. (In line with the leave policy)

**4.6 Medical Aid**

The Institute participates in various Medical Aid Scheme. Employees are encouraged to belong to Best Med. It is compulsory that all newly employed employees must belong to Best Med, no other Medical Aid.

Membership is obligatory to all employees unless proof is submitted that the employee is covered by his/her spouse or life partner's medical aid scheme. Upon commencement of employment the necessary application forms need to be completed and submitted to the Human Resources Department. Any future changes in personal particulars must be submitted to the Human Resources Department.

The Institute contributes two-thirds of the medical premium whilst the employee is responsible for one-third. Medical aid contributions are included in the total cost to employer package.

**4.7 Retirement Fund**

It is obligatory for all Fort Cox Institute employees to belong to the Government Employees Pension Fund. The fund is a defined contribution pension scheme.

The Institute contributes 13% of an employee's pensionable salary as defined in the Rules of the Retirement Fund on a monthly basis. The employee contributes a further 7.5% of pensionable salary.

Normal retirement age is 60 years. Early retirement is available from 55 years of age.

The employee is entitled to the following benefits in accordance with the Rules of the Retirement Fund:

- Retirement Benefit
- Resignation Benefit
- Disability Benefit
- Death Benefit

#### **4.8 UNEMPLOYMENT INSURANCE FUND:**

You will be required to contribute 1% of your basic salary to the Unemployment Insurance Fund (UIF) and the Institute will also contribute 1%.

#### **4.9 GROUP LIFE AND PERMANENT DISABILITY HEALTH SCHEME:**

The Institute offers Life and Permanent Disability Health Assurance to all its permanent employees. The Institute contributes 100% of the premiums. Details thereof shall be made available on request from HR Department.

#### **4.10 SKILLS DEVELOPMENT/LEVY**

The institute contribute as per total earnings of the employee

#### **4.11 BACK PAY**

The institute pays the back pay in the following month when an employee assume duties in the middle of the month.

#### **4.12 Allowances**

The cost to employer package can be structured with the various allowances below, should a person meet the required criteria set out for each. Cumulatively, all allowances may not comprise more than 30% of total cost to employer package.

##### **4.12.1 Car Allowance**

Persons employed in grades/levels 13 upwards, would in principle qualify for car allowances. Actual entitlement is, however, subject to each individual's job responsibilities and the employee being required in the normal course of employment to travel for business purposes. In certain cases, employees in lower categories might qualify based on the individual's job responsibilities. In such cases, prior approval to structure his/her cost to employer package must be obtained from the Human Resource Department.

Employee who qualify for such allowance can structure his/her cost to employer package accordingly.

Also refer to the Institute Travel Allowance Policy for Rand per Kilometre rates in terms of official business travelling.

##### **4.12.2 Housing Allowance**

Housing allowance is R 900.00 there are documents that the employee must attach (HR Section is there for assistance)

##### **4.12.3 Non-pensionable Home owner's Allowance**

All employees qualify for a homeowner's allowance which is R 1400, there should be proof attached from the Bank (HR Section is there for assistance)

##### **4.12.4 OVERTIME**

- Payment of overtime shall be effected for work performed in excess of the normal working hours( 45 hours and 40 hours), were prior written approval was granted by the delegated authority, in our case Principal.
- Calculation of overtime worked shall be the actual salary notch of the employee, provided that shall not be higher than a basic salary as determined annually by the Minister of Public Service and Administration.



- The amount is increased/ adjusted by the percentage of the annual general salary adjustment with effect from 1 July of each year
- Overtime shall not exceed 30% of an employee monthly basic salary, approval of any deviation must be approved by the delegated authority prior to the performance of overtime duties
- Overtime referred to in the above paragraph above shall exclude call outs

**4.12.5 STANDBY ALLOWANCE:** This allowance is paid to employees who are needed to deal with emergency situations or other duties as the need may arise. The employee will be placed on standby and shall qualify for the payment of standby allowance

- Employees who are easily accessible should be considered for placement on standby
- Employees placed on standby should be rotated to avoid enriching certain individuals
- Standby allowance will be paid according to the projected CPI-X as per the Annual Increment of that financial year
- Calculation is :- Rate x days worked = standby allowance amount
- The calculation will be done In terms of allowance and benefits issued by DPSA , Resolution 1 of 2007, the current rate is R75,45

#### **4.12.6 Entertainment Allowance**

It is normally part of the duties of senior employee to actively participate in the Institute public relations efforts to develop useful contacts as well as to promote good staff relationships. These duties may extend outside of normal working hours.

Persons employed in the grades/levels 15 and upwards, would thus in principle qualify for an entertainment allowance to be utilized to this effect. Actual entitlement is subject to the employee utilizing such for business entertainment purposes.

Employees who qualify for such allowance can structure his/her cost t employer package accordingly.

#### **4.13 Packing and Transport Cost**

The Institute reimburses employees for actual costs related to the transport of furniture and household effect. Institute procurement procedures must be followed in procuring those services. A list of goods should be attached. Payment of costs by the employer should not exceed 70% and the remaining amount be paid by the employee

##### **4.13.1 Transportation of official and family**

The Institute is responsible for the transportation costs of the official and for each family member above the age of 12 months. (Payable according to Institute policy)

##### **4.13.2 Schooling clothing Allowance**

In case of child who has to change schools due to the official's relocation, a school clothing allowance equal to the half of the present school uniform will be paid per child and is payable on submission of proof that the child, has been registered as scholar at the applicable primary or secondary school.

##### **4.13.3 Transfer Allowance**

A once-off transfer allowance equal to R 2500.00 is payable in order for the employee to maintain a household after relocation. This allowance should all be utilized for expenses such as replacement of curtains, telephone, water or electricity connections and the like is subject to the submission of relevant documentation to the Human Resources Department.

None of the above forms part of the cost to the employer package.

Should a person leave the services of the Institute within 24 months of the relocation, he/she would be obliged to refund the Institute the total for expenses incurred in this regard with all relocation costs



**4.13.4 Cell phones/Airtime Allowance**

The operational requirements of the Institute may necessitate that some employees utilize their landline and/cell phones for official business.

In case where employees require a cell phone to properly carry out their duties they will receive Institute phone. In principle, persons employed from middle management upwards are eligible for Institute cell phones but subject to their job responsibilities. The guiding criteria will be whether the individual employee has a need to access mobile communication to effectively perform his/her job. Should an employee fail to be available 24 hours a day without reasonable grounds, the employee will forfeit the benefit. The need for such access shall be decided by the relevant Section Manager/Head of Department having regard to;

- The time spent by the employee outside of the office;
- The need to communicate with individual after hours for work purposes;
- The urgency of communication that may arise(linked to the seniority of the job)
- Cost effectiveness and expense control

The Institute is fully responsible for payment of cell phone accounts. However, guidelines exist for the maximum total usage as set out below.

The use of a company cell phone does not form part of the employee's cost to employer package.

Employees that make themselves guilty of over expenditure could face disciplinary action.

Category of User	Maximum usage(R per month)
Phones	
Middle Managers	500
Heads of Department (academic)	500
Farm Manager/Maintenances Manager	500
Executive Managers	900
Principal	900

Full details on the issue, use and withdrawal of cell phones are subject to the approval of the Institute Executive Management.

**4.13.5 Travel & Subsistence**

Travel and subsistence costs related to authorize business travel will be reimbursed to personnel in accordance with the Institute Business Travel & Expense Policy (Subsistence Allowance Policy).

Set allowance are payable to employees for incidental subsistence expenses while on out-of-town assignments, Reimburse allowance do not form part of the cost to employer.

It is the responsibility of each person to ensure that the relevant forms are completed and duly authorized, and that all required documentation be submitted to the appropriate Institute Officer. This reimbursement is not taxable.

**4.13.5 Long service award**

As a sign of appreciation to employees who have rendered years of loyal service to the Institute, a long service award is payable. Fixed amounts (subject to change) are payable as follows:



- 10 years of service- amounting in selling 5 days of service R2500.00
- 15 years of service – amounting in selling 10 days of service R 3000.00
- 20 years of service – amounting in selling 15 days of service R 3500.00
- 25 years of service – amounting in selling 20 days of service R 4000.00
- 30 years of service – amounting in selling 25 days of service R 4500.00
- 35 years of service – amounting in selling 30 days of service R 5000.00
- 40 years of service – amounting in selling 35 days of service R 5500.00

Employees have a choice of either receiving the above amount in cash or utilizing it to buy goods of their choice. In the latter case, relevant documentation needs to be submitted to the relevant Human Resource Officer.

Cash awards are fully taxable at the applicable income tax rates. In case of awards being in the form of an asset, the first R2000 is currently tax exempt.

**4.13.7 ACTING AND ADDITIONAL RESPONSIBILITY ALLOWANCE POLICY**

Acting allowance is calculated as a difference of the monthly basic salary payable to the higher role/position and the current notch of the incumbent appointed to act

Additional responsibility allowance is calculated at 50% of the monthly basic salary payable to the same/equivalent or lower role/position (-In line with the Institute policy on Acting and additional duties)

**4.13.8 REMUNERATION OF PART – TIME LECTURES/MODERATORS/TUTORS/COACHES/CONDUCTOR**

CATEGORY	RATE
Lecturers	R 18165.00 per month all-inclusive salary
Moderators	QUESTION PAPER: R284, 60 PER SCRIPT R50.00
Evaluation of oral presentation	R284.60
Marking of evaluation reports	R50.00 per reports
Tutors	R 100 per session/1 hour
Coaches	R 4000. 00 per month
Conductor	R 4000.00 per month

**4.14 Policy Review**

The policy will be reviewed every three years in consultation with all relevant stakeholders, from the date of implementation to determine whether they will contribute to the achievement of the overall objectives of Fort Cox Institute

**4.15 Approval**

This policy has been developed through a consultative process and the following stakeholders were represented:  
Signed:

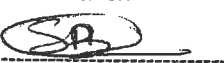


Z. Buzozweni 

NEHAWU Chairperson: Fort Cox Branch

15/04/2019


Date

P.P. S.C. Busakwe 

PSA Chairperson: Fort Cox Branch

15/04/2019

Date

Sg Rawula 


15/04/19

Date

It is recommended that the Institute Principal and the Chairperson of Council approve this policy for implementation with effect from 1 January 2019:

~~RECOMMENDED/ NOT RECOMMENDED~~

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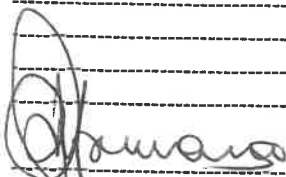
Dr PJ Masika: Principal

15/04/2019

Date

APPROVED/ NOT APPROVED

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Dr P Lupuwana: Chairperson of the Interim Council

31/10/2019

Date