



HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD

HGDA Farmers Market, Erf 2226, Portion 27 Ellerton Farm, Ixopo,
Tel:039 834 2470/ 039 834 1362

ALLOWANCES POLICY

Approved Date:	Effective Date:
Review Date:	Signature:

1. DEFINITIONS

"Acting"	Functioning of an employee in an acting capacity
"Acting position"	A position occupied by an acting employee
"Acting incumbent"	An employee appointed to act in a specific post
"Affirmative action"	As defined or expressed in the Employment Equity Act, 55 of 1998
"Employment Equity"	As defined or expressed in the Employment Equity Act, 55 of 1998
"Unfair advantage"	A situation whereby a fair advantage to an employee is an unfair advantage to another

2. OBJECTIVES

- 2.1. To provide a framework for appointing employees to act in the Agency.
- 2.2. To provide for payment of an acting allowance to an acting incumbent as appointed in terms of 2.1 above.
- 2.3. To create a room for development and capacitating employees.
- 2.4. To make a provision for execution of duties in a vacant position.
- 2.5. To make provision for critical/scarce skills allowance.
- 2.6. To make provision for cell phone allowance to HGDA employees
- 2.7. To provide framework for subsistence and travel allowance
- 2.8. To prescribe timeframes for utilisation of employees in an acting capacity.
- 2.9. To make provision for approval and payment of acting allowances.

3. LEGAL FRAMEWORK AND REQUIREMENTS

- 3.1. This policy is premised from the relevant provisions of the Constitution of the Republic of South Africa (108 of 1996) as amended;
- 3.2. It also derives its legitimacy from the Municipal Structures Act (117 of 1998), the Municipal Systems Act (32 of 2000), the Employment Equity Act (55 of 1998);
- 3.3. This policy will be implemented in terms of the objects of other relevant sister policies within the Municipality.
- 3.4. This policy is implemented in furtherance of the spirit of the Basic Conditions of Employment Act (75 of 1997).

4. APPLICATION OF THIS POLICY

- 4.1. This policy will apply to all the employees of the Agency.
- 4.2. Under exceptional circumstances, short-term contract or temporary employees will be considered for acting as well.
- 4.3. This policy will not apply to Board Members.
- 4.4. This policy will not apply to non-employees of the Agency

5. PRINCIPLES OF ACTING APPOINTMENT

- 5.1. Employees shall be required to act preferably in positions where their potential will be unlocked.
- 5.2. Employees shall be appointed to act on the basis of merit and other non-discriminatory factors.
- 5.3. Seniority of the employee will be a key principle to be considered when identifying a person to act.
- 5.4. An employee will not act in a post equal or lower than his/her post.
- 5.5. An employee will be expected to perform duties efficiently and diligently in an acting position.
- 5.6. An Acting incumbent will be given all necessary assistance to enable him/her to perform duties efficiently.
- 5.7. An employee will be remunerated accordingly for acting in a post.
- 5.8. There shall be no probation provision for acting.
- 5.9. Acting appointment will be terminated after identification of poor work performance in terms of schedule 8 Item 9 of the Labour Relations Act No.66 of 1995, as amended.
- 5.10. No legitimate expectation shall be created to the acting employee for possible appointment in the acting position when it is filled.
- 5.11. Appointment of an employee shall be made in writing.
- 5.12. Managers shall motivate for employees to act in vacant positions in accordance with the requirements of this policy.
- 5.13. All acting arrangements shall be agreed/done prior to the person acting.
- 5.14. Authority to approve acting appointment of employees shall be vested in the CEO or Acting CEO.
- 5.15. Employees will not be appointed to act for the sake of acting, when it is possible to do without an acting employee, no acting appointment shall be made.

5.16. An employee shall give his or her consent in writing for the undertaking of acting in compliance with its conditions.

6. GENERAL PROVISIONS FOR ACTING

6.1. Acting shall be limited to a minimum period of 10 working days and a maximum period of 6 months subject to renewal.

6.2. An acting employee shall not receive first preference when the position is advertised.

6.3. Appointment of a particular employee to act shall not be used as means to give an acting employee an unfair advantage over other employees and applicants when the vacant post is advertised.

6.4. Employment equity and affirmative action factors shall be considered when appointing an employee to act.

6.5. A suitable employee for the acting appointment shall be considered by the Manager responsible for that particular work environment and position and recommendation be made to the CEO.

6.6. Where the post in question is that of the CEO then approval shall be the responsibility of the Board.

6.7. There shall be no advertisement for calling people to apply for acting appointments.

6.8. The employee considered for acting appointment shall be identified purely along the principles of merit and job requirements like educational qualifications, minimum work experience and availability.

6.9. Previous performance record may be considered as part of enhancing the correctness of the decision to appoint an acting employee.

6.10. An acting employee shall be subjected to the same performance standards and requirements of the position in respect of which he/she is acting.

6.11. Subject to existing operational requirements, acting appointments to vacant posts shall be reviewed within 3(three)months

6.12. Vacant posts on a permanent staff establishment should be filled within 6 (six) months unless there is a compelling reason not to do so

7. PROVISIONS FOR PAYMENT OF ACTING ALLOWANCE

7.1. Payment for acting shall be applicable once an employee has acted for a consecutive period of 10 working days.

7.2. An acting allowance shall be calculated as the difference between the acting employee's basic salary and the commencing notch of the salary of the post in which he/she acts, as illustrated by the following example:

The formula for determination of acting allowance shall be paid as per the following example:

Salary	Acting person	Incumbent	Acting allowance
Annual basic salary	R150 000	R210 000	-
Monthly rate	R12 500	R17 500	R5 000
Weekly rate	R2 884.84	R4 038.77	R1 153.93
Daily rate	R576.97	R807.75	R230.79

- 7.3. An acting allowance shall not be negotiable between the Agency and the employee
- 7.4. An acting incumbent shall be notified of his/her acting appointment in writing, prior to resuming duties
- 7.5. Acting Allowance shall be paid on a monthly basis together with the salary.
- 7.6. Payment of acting allowance will be subject to taxation.
- 7.7. Each Department shall budget for an acting allowance amount not exceeding 2.5% of its total annual salaries and benefits budget vote.
- 7.8. The acting allowance to be paid to an employee performing acting duties in Section 56/57 or any other fixed term contractual post shall be the difference between the 60% of the total remuneration package of the Section 56/57 or other contractual post and 60% of the total remuneration package or the basic salary of the acting employee.
- 7.9. Notwithstanding clause 4.4, in the event that an employee's salary is equal or higher than the commencing notch of the salary scale of the post in which he/she is due to assume an acting position, an acting allowance fixed at 10% of the acting employee's basic salary shall be paid
- 7.10. The acting referred in 6.9 will only apply in exceptional circumstances where such acting is required for the efficient and effective management of a particular state of absence especially in management positions

8. CELL PHONE ALLOWANCE

- 8.1. It is at the Chief Executive Officer's discretion to approve any given cell phone allowance to employees at the Agency, other than top management which is governed by the Upper Limits Gazette No. 47538.
- 8.2. Should the cell phone allowance for top management be outside the Upper Limit, further written approval shall be obtained.

9. COMMENCEMENT OF THIS POLICY

- 9.1. This policy will come into effect on the date of adoption.

10. INTERPRETATION OF THIS POLICY

- 10.1. All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition or context indicates otherwise.
- 10.2. Any dispute on interpretation of this policy shall be declared in writing by any party concerned.
- 10.3. The CEO shall give a final interpretation of this policy in case of written dispute.
- 10.4. If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council/Arbitration.