

MORETELE LOCAL MUNICIPALITY



**FINAL OVERTIME POLICY
FINANCIAL YEAR 2026/2027**

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1. PUPRPOSE

The overtime policy intends to enable the Municipality to regulate and restrict the use of overtime by its employees to ensure that it is reasonable and within the scope of work and budget; to ensure that overtime is used only when required and to the benefit of delivery service; and to ensure that overtime is not used and seen as salary augmentation.

2. PURPOSE & OBJECTIVES

- a) To ensure that clear guidelines are established for all employees of the Municipality who qualify for overtime as revised from time to time in the overtime threshold determination by Minister of Labour and Employment
- b) To promote effective, efficient and economic use of resources, by ensuring that overtime worked is linked to municipal budget as well as IDP objectives
- c) To provide a framework within which the municipality will administer overtime in a fair and a transparent manner

3. SCOPE OF APPLICATION

This policy applies to all employees employed by the Municipality with the exception of those employees excluded in terms of the determination of overtime threshold by the Minister of Employment and Labour.

4. DEFINITIONS, ACRONYMS AND ABBREVIATIONS

- a. **SALGA:** South African Local Government Association
- b. **SARS:** South African Revenue Services

CLARIFICATIONS OF TERMS

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

- a. **“Bargaining Council”** means the South African Local Government Bargaining Council and includes the North West Division of the Bargaining Council or such division of the Bargaining Council as the municipality may be determined by the Bargaining Council to fall under.
- b. **“Collective agreement”** means a collective agreement as contemplated in the Labour Relations Act, Act No. 66 of 1995.
- c. **“Council”** means Moretele Local Municipality and includes any political structure and / or political office bearer or employee of the municipality lawfully acting in the stead
- d. **“Employee”** means any person excluding an independent contractor who has been appointed to the service of Moretele Local Municipality to render service and who receives or is entitled to receive any remuneration thereof.
- e. **“Essential service”** means a service, the interruption of which endangers the life, personal safety, or health of the whole part of the population.
- f. **“Head of Department”** means managerial employee in the service of Council who occupies a post on the municipality’s staff establishment which has an overall responsibility for an organizational unit that is referred to as a department or any person appointed to act in his position in the absence of the other.
- g. **“Overtime”** means that portion of any period that an employee works for the municipality during a work week or on a working day as the case may be, which exceeds the ordinary hours of work as stipulated by the municipality or agreed by the municipality and its employees from time to time.
- h. **“Public Holiday”** means every day that is a public holiday in terms of the Public Holiday Act No: 36 of 1994.
- i. **“Salary”** means any salary package, allowance, bonus and any other money paid or due to an employee as a reward for his / her service, excluding a payment under a housing or motor vehicle scheme or any allowances.
- j. **“Week”** in relation to an employee means the period of seven days

- k. **“Working day”** means any calendar day of the week on which a certain employee normally reports on duty
- l. **“Working hours”** means those hours which an employee is obliged to work

5. LEGISLATIVE FRAMEWORK

- a) Basic Conditions of Employment Act, Act no 75 of 1997
- b) Labour Relations Act, Act No 66 of 1995
- c) South African Local Bargaining Council Main Collective Agreement
- d) South African Local Bargaining Council Conditions of Service for the North West Division

6. GUIDING PRINCIPLES

- The working of overtime should be subject to very strict control measures and therefore only the Director/Manager shall be entitled to approve the performance of overtime by subordinates, on prior recommendation of Manager or Supervisor
- A monthly report on all overtime worked and the expenditure involved must be submitted to the relevant structures of Council. An employee will be entitled to be paid overtime or be given time-off, by prior agreement with the employee, when he\she is requested by written instruction by the respective Director who is duly authorized to do so, to perform duties outside his normal working hours.
- Clause 2.6 of Northwest Conditions of Service Collective Agreement (NW Division of SALGBC) provides that the earnings threshold shall mean the top notch of the salary scale within which the Basic Conditions of Employment Act (BCEA) 1997, earnings threshold falls, as amended from time to time.
- The current BCEA threshold is R261748.45per year, therefore the threshold in terms of the NW Division of SALGBC for the purpose of this policy is R247 128 per year.
- Employees who earns in excess of the North West Conditions of Service Collective Agreement threshold amount, are not eligible to be paid

overtime in terms of the provisions of Section 10 of the BCEA, and therefore no overtime will be paid for hours worked beyond the normal working hours but will be granted time off.

- An employee is not required or permitted to work more than 10 hours' overtime per week, thus 40 per month;
- Employees on standby in terms of clause 10 of the Collective Agreement on Conditions of Service for the North West Division of the SALGBC (South African Local Government Bargaining Council) shall receive overtime payment, irrespective of the statutory threshold.

7. POLICY CONTENTS

7.1 OVERTIME WORK

Section 10 of the Basic Conditions of Employment Act, 1997 stipulates that:

7.1.1 No employee may be required or permitted to work overtime except in terms of an agreement between such an employee and the municipality;

7.1.2 No employee may work more than ten hours overtime in a week and 3 hours a day, except when overtime is required to be done without delay owing circumstances for which the municipality could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work. This also requires that overtime should not exceed 40 hours per month.

7.1.3 No overtime may be worked without the expressed prior permission or instruction of the Municipal Manager, the Head of Department need to obtain prior approval from the Municipal Manager;

7.1.4 Overtime work must be restricted to the minimum and must not be seen as a mechanism of earning more money.

7.1.5 No overtime can be claimed should an employee work short time on a specific day.

7.1.6 A full day's work (normal working hours and a lunch break) must first be worked before such an employee is eligible for overtime.

7.1.7 No overtime will be paid for attendance of functions / prize giving,

7. 2 OVERTIME PAY

7.2.1 An employee who has worked overtime in excess of the stipulated hour will be required to take leave in lieu of overtime pay. Leave in respect of such overtime must be granted within a period of three months.

8. PAY FOR WORK ON SUNDAYS AND PUBLIC HOLIDAYS

8.1. An employer must pay an employee who works on a Sunday and holidays 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.

9. COMPRESSED WORKING WEEK

Despite the ordinary working hours, as prescribed by the Basic (40-hour week), an employee can agree in writing to work up to 12 hours in a day without receiving overtime pay. Such an agreement must be effected in such a way that no employee works more than:

- 1) 40 ordinary working hours per week
- 2) 10 hours overtime per week
- 3) 5 days in any week for a 5-day worker or
- 4) 6 days in any week for a 6-day worker

10. OPERATION SPECIFIC ALLOWANCE

Section 6 of the Basic Conditions of Employment Act makes provision for the Minister of Labour & Employment to publish a determination on the advice of the Commission that will exclude employees earning above a certain amount per year from sections of chapter 2 of the Act. Chapter 2 primarily deals with the regulation of working hours of employees. The current threshold is R261748.45.00 from the 01st April 2025 until as amended from time to time by the Minister of Labour & Employment.

10.1 Essential Services employees earning more than the overtime earnings threshold shall be provided with a fixed scarcity allowance in lieu of overtime which will be calculated as follows:

- a) Annual Salary x 20 Hours per Month. The Operation Specific allowance will be R2500.00 per Month
- b) The Operation Specific allowance will apply to all employees who are above the threshold as determined by the Minister of Employment and Labour from time to time in terms of the BCEA OF 1997.

10.2 Non-Essential of structured overtime worked, subject to the further provision of this policy.

11. ADMINISTRATIVE MEASURES FOR MANAGING AND CONTROL OF OVERTIME

11. 1 Control Measures Managers must ensure that:

- (a) Overtime is minimised;
- (b) There is adequate control of remunerated overtime duty, either through supervision or by control of outputs;
- (c) Remunerated overtime is not authorised for insignificant periods, therefore, an element of urgency in the work to be performed by overtime should be satisfied by the Manager before approval of remunerated overtime;
- (d) Overtime remuneration is cost-effective;
- (e) Record of all circumstances which necessitated overtime and records of overtime worked must be kept;
- (f) A record of attendance is kept and duly signed by the Supervisor;

- (g) Funds are available to finance the expenditure which will be incurred as a result of the approval of rendering paid overtime duty;
- (h) Employees are not employed on overtime duty to an extent that the quantity and quality of work performed during normal hours of attendance as well as during periods of overtime duty are adversely affected;
- (i) All overtime, as far as possible, must be performed at the employees' normal pace of work. Heads of Department can, however, in exceptional circumstances approve that overtime work could also be performed at another place, provided that they can satisfy themselves that the number of hours overtime worked were necessary to perform the tasks. The quality and quantity of tasks must also be in line with the number of overtime hours worked.
- (j) In order to improve control, the Head of Department must determine beforehand the number of hours for overtime duty to be performed each day and, as far as possible, set production targets and/or aims as criteria.
- (k) Overtime must be rotational for employees performing the same function within the department
- (l) No overtime allocation and approval for an employee who is on leave
- (m) Requests for payment of overtime worked be submitted to Finance Department within 30 days after work, failure to do so they will be forfeited.

11.2 Standard Operating Procedures for Overtime Regulation and Management

- 11.2.1 Each 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 so as to prevent over-expenditure.
- 11.2.2 The Salary Office or any other body or person authorizing overtime payment is responsible for ensuring that all payments for overtime are duly authorized by a competent authority.
- 11.2.3 Attendance registers / time sheets, 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.
- 11.2.4 Attendance registers / time sheets serve as source documents to complete overtime sheets.

11.2.5 Overtime worked must be reflected on the employee's attendance register / time sheet.

11.2.6 Line managers and/or supervisors are responsible to monitor and sign attendance register / time sheets on a monthly / weekly basis.

11.2.7 Employees who work overtime need to be allocated with the appropriate resources require performing the overtime work.

12. IMPLEMENTATION OF THE POLICY

This policy will be implemented and effective once approved by Council.

13. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

14. POLICY REVIEW

This policy will be reviewed annually and revised as necessary. Provided that the overtime earning threshold will be determined by Minister of Labour published in the Government Gazette.

15. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.