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OVERTIME MANAGEMENT POLICY

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The signatories hereof, confirm acceptance of the contents, recommendation, and adoption hereof.

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1. DEFINITIONS AND ACRONYMS

1.1 Statutory and Regulatory

This Procedure applies to the following meanings and interpretations:

#	TERM	DESCRIPTION
1.1	Authorized overtime	Authorized overtime is overtime that is properly approved. The Head of the Department should approve all overtime. This approval should be obtained before the overtime is worked.
1.2	Deductions	the deductions required by law namely income tax, pension, medical aid, UIF etc.
1.3	Earnings	gross pay before deductions
1.4	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 ordinary hours of work.
1.5	Structured overtime	planned overtime over which the employer has control that continue or take place after normal working hours
1.6	Normal overtime	is the time worked by an employee of Thulamela Municipality, performing duties for Thulamela Municipality, within the normal office hours of the entity. This constitutes the normal time worked that relates to the basic salary payable to that employee.
1.7	Overtime	relates to, work performed for Thulamela Municipality, at a time other than normal time. This means work done at a time that does not fall within Thulamela Municipality's normal office hours. The basic salary of the employee does not cover overtime and extra payment necessary as settlement thereof.
1.8	Remuneration	compensation in money or time off for overtime worked
1.9	Unauthorized overtime	Unauthorized overtime is overtime worked without proper written approval from the Head of Department.
1.10	Wage	the amount of money paid or payable to an employee in respect of ordinary hours of work

1.2 ACRONYMS

#	TERM	DESCRIPTION
2.1	BCEA	Basic Conditions of Employment Act
2.2	SALGBC	South African Local Government Bargaining Council
2.3	SOP	Standard Operating Procedure

2. POLICY STATEMENT

- 2.1 According to section 10 of Basic Conditions of Employment Act (BCEA) employees are not allowed to work more overtime hours than stipulated in the Act. This clearly means that overtime can only be worked if authorization is approved by the supervisor or relevant manager.
- 2.2 Authorization or approval of overtime should be granted before overtime is worked, therefore Thulamela Local municipality acknowledges that working overtime can be abused by employees, therefore the municipality commits that overtime work is authorized and implemented with zero tolerance of corruption.

3. PREAMBLE

- 3.1 Thulamela Local Municipality acknowledges the fact that overtime work is an important element to fast track and meet service delivery objectives as expected by the citizens. According the Basic Conditions of Employment Act (BCEA), Act No. 75 of 1997 read in conjunction with the Main Collective Agreement, employees of the municipality must work for 40 hours per month. Due to various reasons, employees are from time to time obliged to work outside their normal working hours like working shifts, on weekends and on public holidays therefore necessary arrangements must be made by the employer for employees to access overtime benefit. The Act regulates the conditions under which an employer may require an employee to work overtime.
- 3.2 In light of the above, it is crucial for the municipality to have a guideline or a policy that would regulate working hours in line with relevant labour legislation and regulations. Therefore, all employees are expected to adhere to such conditions. Over and above this, due to high of cost overtime rates, working hours and compensation or remuneration payable must be at an acceptable level or else the inadequate control or lack of such regulations could create an environment for unauthorised and fraudulent claims. This policy does not take precedence over applicable legislation or collective agreement which may be in force at the time of its approval.
- 3.3 Due to the high cost of overtime rates, the policy would limit the overtime worked, and therefore overtime payable, to an acceptable level and have proper overtime control in place.

4. PURPOSE

- 4.1 To provide a framework for the compensation of employees for additional duties, which they performed in specific circumstances in excess of their prescribed hours of work as authorized by the municipal manager or his/her delegated assignee. Furthermore, the policy intends to regulate the use of overtime work and ensure that overtime is worked pre-authorised, except in the case of an emergency and is in compliance with relevant legislation. Implementation of this policy further seeks to set controls in place in ensuring overall management of overtime within the municipality, thus ensuring zero-tolerance approach to corruption in overtime management.

5. OBJECTIVES

- 5.1 Generally, the policy is to put in place to ensure uniform guidelines/provisions and principles regarding the allocation of overtime work in order to administer the effectiveness and efficiency of employees' performance on overtime versus municipal compensation. This will ensure that overtime is linked to the municipal budget and the set plans that will enable fairness and transparency. The following outlines the objective of this policy:

- 5.1.1. A proper definition of normal time, overtime, emergency overtime and description of authorized and unauthorized overtime.
- 5.1.2. To manage overtime of Thulamela Local Municipality in accordance with the Basic Conditions of Employment Act, 1997.
- 5.1.3. To describe specific exclusions from overtime.
- 5.1.4. To prevent the payment of unauthorised overtime to employees.
- 5.1.5. To ensure that overtime payments are correctly calculated.
- 5.1.6. To stipulate the delegation of authority to approve overtime.

6. SCOPE

- 6.1 The policy applies to all employees of the municipality as regulated by South African Local Government Bargaining Council (SALGBC) that is permanent and contract employees except those earning remunerations above the Department of Labour's ministerial determination.

- 6.2 No overtime will be paid for attendance of events such as functions and prize giving by personal invitation except in the cases of compulsory attendance as official representative of Thulamela Local Municipality and provided that such overtime is authorised in advance by the relevant Senior Manager

7. GENERAL PROVISIONS

- 7.1 Only staff earning an annual salary not exceeding the threshold set by the Minister of Labour from time to time qualifies for overtime remuneration.
- 7.2 Approval to work overtime must be obtained prior to working time.
- 7.3 Only emergency calls and official meetings are exempted from prior approval.
- 7.4 Overtime leave cannot be converted into any other type of leave or cashed out.
- 7.5 Overtime for the purpose of cleaning and preparation of community facilities such as halls and sport facilities, on occasions that these facilities are booked, may be allowed on Sundays and Public holidays provided that prior approval is obtained from the relevant Head of Department.
- 7.6 Overtime for the purpose of coordinating and facilitating of activities of Council including the deploying of resources such as public address systems, chairs and tables during community meetings may be allowed on Sundays and Public holidays provided that the overtime for these activities is in accordance with the Public participation program of Council and prior approval is obtained from the Head of Department.

8. CONDITIONS FOR REMUNERATED OVERTIME

- 8.1 Individuals are not allowed to work more overtime hours than laid down in section 10 of the Basic Conditions of Employment Act, Act 75 of 1997.
- 8.2 If an employee agrees to work overtime, the employee may not be required or allowed to work, except in accordance with an agreement:
 - 8.2.1 More than 10 hours overtime per week
 - 8.2.2 More than 40 hours per month

8.3 No employee will be remunerated for overtime worked unless such overtime has been budgeted for, authorised through an application form by the delegated authority or if required in terms of an emergency situation. Overtime can only be worked if initiated by respective supervisors approved by the Head of Department within their own departments. This authorisation should be obtained before the overtime is worked.

8.4 Overtime only commences after completion of ordinary daily working hours.

8.5 Overtime can only be claimed for actual hours worked and exclude travelling time.

8.6 No overtime will be paid for attendance on personal capacity.

9. PAY FOR OVERTIME

9.1 If an employee works overtime the Council shall compensate such employee 1.5 times the hourly wage in respect of the number of hours worked for weekdays and Saturdays.

9.2 An employee shall be remunerated at double the hourly wage in respect of hours worked on Sundays and Public holidays as per the Basic Conditions of Employment Act 75 of 1997.

10. CRITERIA FOR PAYMENTS

10.1 Claim forms for overtime worked should be signed by the supervisor and submitted to the Head of Department with supporting documentation i.e. authorization, Delegation of authority Letter and attendance register. The Head of Department must check for correctness before approval.

10.2 Claims must be submitted on or before the 10th of every month to be considered for payment on that month, if the 10th is on Saturday or Sunday the closing date will be the Monday of the subsequent week.

10.3 Claims older than two months will not be valid for payment.

10.4 Section 56 and 57 Managers, divisional managers, sectional managers will not be remunerated for overtime.

10.5 In instances where overtime exceeds the acceptable hours employee will be granted time off.

10.6 The taking of time off by an employee will be forfeited if not taken within one month's time but may, for operational reasons, be extended to a maximum of six months by the Director.

10.7 Time-off cannot be en-cashed upon termination of service.

10.8 After payment, supporting documentation for overtime should be filed on individual salary file.

11. SPECIFIC EXCLUSIONS

11.1 There are certain instances when time worked is specifically excluded from overtime. Time worked by an employee relating to:

11.1.1 Time worked during the normal office hours of the Municipality.

11.1.2 Time worked during lunchtime or any other break allowed by the Municipality.

11.1.3 Travelling time between the employee's residence and the Municipality's offices.

11.1.4 Any overtime that is not properly authorized on a date before the overtime is worked

11.1.5 Any overtime authorized by an official other than the senior manager of the relevant department without a delegation letter of authority approved by the Municipal Manager.

11.1.6 Work done during normal working hours of the Local Municipality, by an employee while on leave. The time that he spends working will be normal working hours and the leave taken will be reduced by the relevant amount of hours. Pre-authorization is necessary for this scenario.

11.1.7 All employees with annual salaries in excess of the amount per annum as determined by the ministerial determination of the Earning Threshold as stipulated in the Government Gazette from time to time.

11.2 REGULATING OVERTIME PAYMENT

In order to prevent payments for unauthorized overtime the following control measures should be implemented:

- 11.2.1 The Chief Payroll Officer should obtain and keep a delegation of authority for overtime handy when processing the overtime, if not authorized by the Head of Department concerned.
- 11.2.2 The overtime document should be examined for authorized signatures and the Chief Payroll Officer should compare the signatures to the delegation of authority documents for validity.
- 11.2.3 Employees should sign the overtime register before the overtime is worked.
- 11.2.4 Relevant Head of Departments should ensure that the attendance register is attached and submitted with overtime claim forms before authorizing claims.
- 11.2.5 The HR Manager should sign the claim form only when all documentations are attached.
- 11.2.6 The Chief Payroll Officer should not process overtime that is not checked by the HR Manager.

12. CALCULATION OF OVERTIME

- 12.1 Thulamela Municipality shall reimburse it's employees in accordance with the stipulations of the Basic Conditions of Employment Act, 1997.
- 12.2 The employee can select one of two methods of reimbursement for overtime worked. The two methods are:
 - 12.2.1 Receive money for overtime worked; or
 - 12.2.2 Take time off for overtime worked.
- 12.3 Overtime worked are divided into the following categories:
 - 12.3.1 Overtime worked during the week i.e Mondays to Fridays
 - 12.3.2 Overtime worked on Saturdays
 - 12.3.3 Overtime worked on Sundays
 - 12.3.4 Overtime worked on Public Holidays
- 12.4 Overtime payable will be calculated according to the category it relates to.

12.5 Category 12.3.1 and 12.3.2 will be reimbursed at 1.5 (one and one half) times the hours worked.

12.6 Category 12.3.3 and 12.3.4 will be remunerated at 2 (two) times the hours worked.

12.7 The calculation overtime to be paid out should be communicated to the Chief Payroll Officer no later than the 10th day of each month. Overtime submitted after such date will only be paid out at the pay date of the subsequent month.

13 LEGISLATIVE AND REGULATORY FRAMEWORK

13.3 The policy should be applied in line with the following legislation and regulations:

13.3.1 SALGBC Organizational Rights Agreement;

13.3.2 Collective Agreement on Conditions of Service for the Mpumalanga Division (SALGBC);

13.3.3 Basic Conditions of Employment Act, 75 of 1997;

13.3.4 Municipal Systems Act, 32 of 2000;

13.3.5 Labour Relations Act, 66 of 1995;

13.3.6 Municipal Finance Management Act, 56 of 2003.

14 STAKEHOLDER ENGAGEMENT (if applicable)

14.1 All the relevant stakeholders internal I will be consulted through the development and implementation of this policy.

15 IMPLEMENTATION: ROLES AND RESPONSIBILITIES

15.1 The Municipal Manager or his / her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy. Each line manager is accountable and responsible to constantly monitor and review the provision of overtime to ensure that trends are noted early, funds are adequate, over expenditure is noted, justified and catered for timeously.

15.2 Each Department is responsible for keeping safely attendance registers and time sheets which indicates the starting and ending times of all employees who qualify for

overtime payment.

15.3 Each Department must keep documented records in respect of staff who qualify for time off and the appropriate application form should be completed by the employee when requesting time off.

15.4 The payroll section is responsible for calculation and payout of overtime worked and ensures that all payments for overtime are duly authorised by a competent authority and must compare forms for signature with the authorisation list provided.

16 MONITORING AND EVALUATION

16.1 All the respective departments within the municipality must ensure adequate implementation of this policy. The Corporate Services Director must enforce this policy and continuously ensuring monitoring and compliance and ensure that the corrective steps are taken where necessary

17 CONCLUSION

17.1 In conclusion, the Overtime Policy outlines critical matters raised in the purpose and the objectives. The provisions in the policy contents highlights the need for municipality to adhere to the key issues narrated which will address challenges encountered and lead to effective and efficient implementation of the policy.

17.2 Thulamela Local Municipality commits to make resources available, monitor and evaluate the effectiveness of the policy, thus encouraging all relevant stakeholders to familiarise themselves with the policy

18 REVISION DATE

18.1 This policy shall be reviewed every 3 years or as and when the needs arise.

19 ANNEXURES

19.1 Over time Claim forms

19.2 Over time Application Form

19.3 Business Process map

19.4 Standard Operating Procedure