

ACTING ALLOWANCE



POLICY, PROCESSES AND PROCEDURES

RECOMMENDED

THAT the **Acting Allowance Policy** and the contents thereof be tabled for approval at the Mayoral Committee.

Version Version 1

Date May 2015

Document Name **Acting Allowance Policy and Procedures**

Reviewed By

_____ **Date:** _____
INTERNAL AUDITOR

Supported By

_____ **Date:** _____
CHIEF FINANCIAL OFFICER

Signature

_____ **Date:** _____
MUNICIPAL MANAGER

Adopted by the Mayoral Committee

_____ **Date:** _____
CHAIRPERSON

Approved by the Council

_____ **Date:** _____
RESOLUTION

Effective date

Next revision date

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1. Purpose

The purpose of this policy is to define the parameters for the payment of acting allowances to employees who are acting in posts at a more senior level.

2. Objective

The goal of this policy is to ensure the consistent application of acting allowances.

3. Scope Of Application

This policy applies to all employees of the Sedibeng District Municipality.

4. Eligibility

4.1 The acting allowance is only **payable** if an employee is appointed:

- To act in a higher **graded and funded vacant post**;
- He/she then acts in the said post for a period of longer than 10 days, but limited to a maximum of 12 months. This period is effective from the date of appointment. (NB: Only in circumstances that are beyond the control of the SDM will the acting period be extended, on condition that prior approval is obtained from the person with whom the power is vested to approve the acting period.)
- The SDM is not prevented to appoint a person in writing to act in a higher post that is **not vacant** (i.e. the incumbent of the higher post is on maternity or extended study leave). **An employee who has been appointed in writing to act does not automatically become eligible for payment of the acting allowance.**

4.2 It is preferred that an employee be appointed to act in a post that is one level higher than her/his current position. If circumstances do not allow this, an employee **may not act in a post more than 2 levels higher** than his/her current position.

- 4.3** The employee should be knowledgeable and competent to perform the duties of the higher post.

5. General Provisions

5.1 Payment of the acting allowance

- The acting allowance is non-pensionable.
- The acting allowance is payable only once the employee has accepted the acting appointment in writing.
- This SDM will pay the acting allowance on a monthly basis.
- The first payment takes place in the month following the completion of the 10 day period, backdated to the date that the employee officially began acting in the post.
- A maximum of two employees may receive an acting allowance for acting in one post. In this case the allowance must be divided between the two employees, provided that:
 - the responsibilities of the higher vacant post are divided between the two employees. The job description and performance agreement of the post should be used to divide the responsibilities between the two incumbents.
 - the responsibilities are expressed in the form of a ratio (e.g. 30/70%) before they are both appointed to act in the post;
 - the employees' individual acting allowances must be determined proportional to the specified ratio;
 - the maximum (combined) acting allowance payable to the two employees should not exceed the difference between the salary notch of the lowest graded employee and the commencing salary notch of the vacant post.

 - the acting incumbents must be made aware, in the letter appointing them, of the duties they are to perform and the ratio of the acting allowance that they will receive.

In instances where there are more than two employees who qualify to act, the employees can be rotated as a job enrichment exercise.

The period of acting must be proportionally divided amongst them.

The fact that an employee has been appointed in an acting capacity does not create a right or an expectation to be appointed when the vacant post is advertised.

Employees are not entitled to receive an acting allowance if they are acting in a lateral post that is vacant and in posts that are not vacant.

5.2 Termination of the Acting Appointment

The acting appointment will be terminated if an employee:-

- goes on maternity leave;
- goes on continuous leave for 30 days (1 month) or more;

As a result of the termination of the acting appointment the acting allowance will be discontinued.

If the employee is required to act in the higher post on return from leave, she/he must be re-appointed in writing to qualify for the payment of an acting allowance.

If there is someone else acting in the post, the employee who returns from leave should only resume acting on the 1st day of the month following her/his return.

If the post is filled whilst the employee is still acting, the acting allowance will be stopped when the new appointee commences duty.

6. Calculation Basis

- For employees on salary levels 1-10, the acting allowance is calculated on the basis of the difference between the current salary notch of the employee and the commencing salary notch of the higher post.

- For employees acting on behalf of contract staff:
 - The salary notch is deemed to be 60% of the Cost to Company of the contract staff member.
 - The acting allowance is the difference between the employees current salary notch and the “deemed notch”

7. Role Of The Employee

The employee should be given 5 working days to accept an offer to act in a higher post. If no response is received by the sixth day, the offer will lapse.

8. Delegations

It is the responsibility of the CFO or delegated authority to authorise the payment of acting allowances.

9. Monitoring And Evaluation

Human Resources Unit will monitor the Acting Allowance within the SDM.

10. Policy Amendment

No amendment(s) may be made to any section of this policy without such amendment(s) first being duly approved and signed by the Council.

The Acting Allowance Policy shall be reviewed annually and/or at the discretion of the CFO due to changing circumstances as a result of the legislation or otherwise.