

# 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 2

**Date**               April 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. Legislative Framework

This policy has been drafted within the following regulatory framework:

- Public Service Act, 1994
- Public Service Regulations (PSR), of 2001

## 4. Scope Of Application

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

## 5. Eligibility

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

- To act in a higher **graded and funded vacant post**;
  - May not act in a post more than 2 post noches higher than his/her current position.
- He/she then acts in the said post for a period of longer than 6 weeks, but limited to a maximum of 12 months for employees on salary levels 1-12 and 6 months for SMS members. This period is effective from the date of appointment. (NB: Only in circumstances that are beyond the control of the GSSC 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 GSSC 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); but the acting allowance would **not be payable. An employee who has been appointed in writing to**

**act does not automatically become eligible for payment of the acting allowance.**

**5.2** 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 can act in a post that is more than one level higher than her/his current position.

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

## **6. General Provisions**

### **6.1 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 GSSC will pay the acting allowance on a monthly basis.
- The first payment takes place in the month following the completion of the 6-week 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. For the purpose of accountability it is recommended that the shortest period be at least 3 months. However, proper handing over procedures must be followed before the acting incumbent takes over the relevant duties.

The employment equity plan / skills development plan of the GSSC can be used as a guiding factor in determining who should act and when (for example by looking at gender, race and / or disability).

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 due to reasons other than that in clause 8, below.

## **6.2 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.

### **6.3 The HOD Allowance**

Employees acting in the HOD's post will also receive the HOD allowance, i.e. 10% of the incumbent's inclusive flexible inclusive remuneration package, effective from the date of appointment.

The HOD allowance is payable to an Acting HOD if the acting period is longer than 30 days (1 month).

The HOD allowance will be discontinued if the acting employee goes on any type of leave, for a continuous period of 30 days (1 month) or longer.

## **7. 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 members on MMS:
  - Level 11 who act in a higher post MMS Level 12 position; or
  - Levels 11 and 12 who act in a higher SMS position, the acting allowance is calculated on the basis of the difference in the acting MMS member's total package and the minimum package attached to the relevant MMS/SMS post.
- For employees on salary levels 1 to 10 who act in a MMS Level 11 or 12 position, the acting allowance is calculated as the difference between the employee's salary notch and minimum package attached to the higher post.
- For an SMS member acting in a more senior post, the acting allowance is the difference between the current remuneration package of the member and the commencing remuneration package of the higher post.

- An employee not part of the Senior Management Services (SMS) appointed to act in a post in the SMS will receive the difference between her/his current salary notch and 60% of the commencing inclusive flexible remuneration package applicable to the post level.
- An employee who is appointed to act in a vacant post:
  - and whose notch (or remuneration package in the case of SMS) is equal to or higher than the minimum notch (or package) of the vacant post, should receive the difference between her/his current notch and the next higher salary notch applicable to the vacant post;
- If the acting commences after the 1st day or terminates before the last day of a month, the daily tariff is calculated by dividing the annual amount by 12 (number of months per year) and then by the number of days for the specific month.

## **8. Acting Allowances For Posts That Are Not Vacant**

- In terms of the PSR, Chapter I, Part VII/B.5.2, the Head of the Department (HOD) has the authority to appoint employees and compensate them for acting in higher posts that are **not vacant**, because the actual incumbent of the post is acting in a higher vacant post.
- The Minister for the Public Service and Administration has indicated that such posts should be funded.
- The HOD should apply this provision with caution as it will result in additional expenditure.
- Calculation of the acting allowance in terms of this provision should be the same as that applied to employees who act in a higher vacant post.

## **9. Hod Allowance For Posts That Are Not Vacant**

9.1 An HOD allowance may be paid in the following circumstances:

- In cases of suspension of the designated HOD, the payment of the HOD allowance must be terminated with effect from the date of suspension. The HOD allowance is payable with effect from this date to the member who is appointed, in writing, to act in the designated HOD position.



- In cases of any other absences of the designated HOD (e.g. due to vacation, sick, special or study leave), excluding maternity leave, the payment of the HOD allowance must be terminated with effect from the date of commencement of absence, provided that the period of absence is going to be longer than 30 continuous days. The HOD allowance is payable to a member who is appointed, in writing, to act in the designated HOD position with effect from the date of termination, provided that the period of acting in the designated HOD position is going to be longer than 30 continuous days.
- In cases of maternity leave, the payment of the HOD allowance must not be terminated for the incumbent of the position. However the HOD allowance is similarly payable to a member who is appointed in writing to act in the designated HOD position with effect from the date of commencement of maternity leave, provided that the period of acting in the designated HOD position is going to be longer than 30 continuous days.

9.2 In the circumstances referred to in paragraphs 9.1 the acting allowance is **not payable** because the post is not vacant.

## **10. 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.

## **11. Delegations**

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

## **12. Policy Audit And Review**

Periodic audits must be performed by the HOD or delegated person.

## **13. Monitoring And Evaluation**

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

#### **14. 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 MEC.

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.