

REMUNERATION POLICY

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1. PURPOSE

The purpose of this policy and procedure is to ensure that the manner in which the University of Pretoria (the University) remunerates and rewards employees reflects the dynamics of the market and context in which the entity operates. The approach to remuneration and reward will play a critical role in attracting and retaining high performing individuals and thereby support the University's commitment to the achievement of its strategic objectives (and vision), through a highly motivated, responsible and ethical workforce.

2. SCOPE

This policy is applicable to all permanent employees and employees on fixed term contracts of a year or greater.

3. POLICY STATEMENT

To provide a framework used for remuneration at the University of Pretoria with the following objectives:

- 3.1 To attract, retain and motivate employees by remunerating and rewarding employees fairly and equitably in line with the competitive labour market for their skills and expertise.
- 3.2 Motivate, recognise and reward consistent high performance that drives the University's vision and objectives.
- 3.3 Ensure that remuneration practices are implemented openly and transparently.
- 3.4 Manage the total cost of employment in line with the financial sustainability plans of the University.

4. DEFINITIONS

- 4.1 **Basic salary/remuneration:** The fixed pay/base pay provided by the University to an employee for services rendered before tax and deductions. This is non-discretionary remuneration that does not vary according to performance or results achieved.
- 4.2 **Job evaluation:** A formal process used to objectively establish the relative worth and job level/grade of positions within the University, thereby creating a job-worth hierarchy within the organisation.
- 4.3 **Job level/grade:** a collection of jobs that are considered having the same value or worth for remuneration purposes.
- 4.4 **Midpoint:** The middle value of a salary range for each job level/grade.
- 4.5 **Pensionable salary:** Annual basic remuneration plus such additional remuneration components as contemplated in the pension or provident fund rules, which forms the basis on which retirement funding contributions are calculated.
- 4.6 **Performance management process:** An annual process of performance reviews and assessment. This process is used to coach, train and develop staff to determine reward levels and to motivate high levels of performance.
- 4.7 **Performance rating:** The points that are allocated to each employee following the performance management process. These individual performance points are used to place employees correctly on the salary range applicable to their job level/grade and to determine the value of any applicable performance incentive payment.
- 4.8 **Professional and higher education qualification:** Refers to a professional and higher education qualification that is recognised within the higher education qualifications framework.

- 4.9 Salary scale:** Refers to the grouping of the different salary ranges per job level/grade for the relevant sector, the sectors being: Academic and Support Services.
- 4.10 Salary range:** Refers to the band from the minimum to the maximum per job level/grade.
- 4.11 Scarce and critical skills:** Refers to an absolute or relative demand that is current or in future; for skilled; qualified and experienced people to fill particular roles/professions, occupations or specialisations in the labour market.
- 4.12 Total cost to company:** Refers to remuneration that includes basic salary, benefit bearing allowances, retirement fund employer contributions, group life assurance, family cover (funeral), medical aid employer contributions and applicable allowances and statutory employer levies/contributions.
- 4.13 50th percentile:** The position in the market where surveys reflect 50% of the values that are greater and 50% of the values that are less than this value in respect of a job level/grade in the national market.
- 4.14 60th percentile:** The position in the market where surveys reflect 40% of the values that are greater and 60% of the values that are less than this value in respect of a job level/grade in the higher education market.
- 4.15 Variable salary/remuneration:** The pay/remuneration provided by the University to an employee, which is circumstantial, discretionary in nature or varies according to performance or results achieved.
- 4.16 University of Pretoria Bargaining Forum (UPBF):** Refers to a forum comprising of an external facilitator, management representatives and recognised trade unions that are admitted to the forum to promote and maintain a sound relationship between the University of Pretoria as employer and its employees, and to negotiate and bargain collectively to reach agreement on matters of mutual interest between the employer and employees represented by unions.

5. REMUNERATION POLICY PRINCIPLES APPLICABLE TO THE UNIVERSITY

5.1 Internal remuneration parity (equity)

The University supports the principle of fair and equitable remuneration, equal pay for work of equal value, as per Chapter 2 of the Employment Equity Act of 1998, its Regulations regarding criteria and methodology for assessing work of equal value (Regulations 4, 5 and 6), as well as factors justifying differentiation (Regulation 7), and the Code of Good Practice on Equal Pay/Remuneration for Work of Equal Value.

Individuals are placed on the applicable salary scale in relation to the outcome of a structured job evaluation process determining the relative value of the job. Each job is evaluated by using the approved job evaluation policy, provided there is a substantial change in the job which has resulted from the partial or full restructuring of the Department/Faculty.

Remuneration differentiation should only be allowed if it can be justified and should be monitored.

5.2 External remuneration parity (equity)

The University will target pay levels to ensure that it is able to achieve its policy objectives and remain competitive, whilst managing costs. The following steps will be followed to ensure competitive and affordable pay levels:

The University will compare itself externally to two target markets as defined in the higher education and national markets as outlined in the PwC Remchannel Survey or equivalent as decided upon by the Human Resources Committee of Council.

The basis for comparison will be on basic salary as defined by the University.

The applicability and relevance of salary surveys will be reviewed in line with policy renewal timeframes.

5.3 Policy provisions and design

- 5.3.1 The University offers two types of remuneration, namely fixed remuneration and variable remuneration including benefits in the form of employer contributions to the retirement fund, the group life assurance scheme and medical aid scheme, and family cover.
- 5.3.2 The University has established two sets of salary scales, one for academic employees and one for support services employees.
- 5.3.3 The University currently utilises the Peromnes Job Evaluation System to ensure that there is an accurate link between the job and the market's grading of positions.
- 5.3.4 The University will target a salary range around the 60th percentile of the higher education market for academic staff members and the 50th percentile of the national market for support staff.
- 5.3.5 The target percentile of the target market will be the respective midpoint as defined.
- 5.3.6 The basic salary differentials for each salary scale will be 20% on either side of the midpoint, whereby 20% below the midpoint will be the minimum of the salary scale and 20% above the midpoint will be the maximum of the salary scale for each Peromnes grade.
- 5.3.7 The salary ranges will also be used as a management tool to manage the pay levels of existing employees, so that employees who fall below the minimum of their job level/grade can be brought in line with at the least the minimum of their salary range for their job level/grade and employees who exceed the maximum of their salary range for their job level/grade can be managed towards the maximum of the salary range for that particular job level/grade over a period of time.
- 5.3.8 Membership of at least one of the University retirement schemes and the University Group Life Assurance Scheme is mandatory.
- 5.3.9 Membership of a University medical aid scheme is mandatory. Staff must belong to a scheme of the University or be able to prove that they have membership of a registered medical aid scheme through their spouses/partners.
- 5.3.10 Income tax will be deducted in accordance with SARS regulations and directives.
- 5.3.11 Employer contributions to the Unemployment Insurance Fund will not form part of the package.

5.3.12 The salary scales are outlined in an annexure, which will be reviewed annually in line with the salary adjustments.

5.4 Annual adjustments on basic salary:

5.4.1 The University Council will determine annual basic salary adjustments, subject to negotiations at the UPBF.

5.4.2 The annual salary increase budget will be informed by:

5.4.2.1 Internal equity

5.4.2.2 The external market and comparisons

5.4.2.3 Organisation performance

5.4.2.4 Cost of inflation

5.4.2.5 Affordability

5.4.2.6 Productivity

5.4.3 To ensure re-alignment within the salary scales, differentiated salary increases will be offered. Employees earning salaries above the maximum of their respective salary scales will be offered less than the annually negotiated salary increase, to migrate to the maximum of their salary range for their job level/grade.

5.4.4 Consistent performance, which is above expectation for a period of two (2) consecutive years (two-year pay progression cycle) will be awarded a pay progression to either the first interval, midpoint, second interval or maximum of the salary range, depending on the individual's relative position within the salary range concerned.

5.5 Appointments on fixed remuneration (to be read in conjunction with 5.1):

5.5.1 All new appointments will be made against the relevant salary scales starting from the minimum of the salary scale. The appointed employees will either be granted a salary increase up to the minimum of the new job level/grade if earning below or, an increase between 5% to 10% of current earnings, whichever, is the greater provided not more than the maximum of the salary scale.

5.5.2 To ensure transparency and to ensure that the application of the remuneration policy does not become a constraint to obtain and retain specific skills that are not easily obtainable or that can only be obtained at a premium, the process applicable to scarce and critical skills will apply as per 5.14.1 below.

5.6 Job evaluation

5.6.1 Academic positions in the University will be remunerated based on the academic job level/grade.

5.6.2 The University will use the Peromnes evaluation system for grading support services positions to establish the relative worth of each position and ensure parity in remuneration for jobs that fall within the same job level/grade.

5.7 Academic promotions

Academic staff can be promoted ad hominem (linked to the person) to a higher level than the existing post level as soon as the staff member complies with the minimum requirements linked to the higher position subject to the processes as described in the relevant Academic Promotions criteria.

5.8 Job Evaluation upgrades for support positions

Support service staff may not move to a job level/grade higher than the existing job grade/level unless upgrading through Peromnes job evaluation was approved and the upgrade is in accordance with the Job Evaluation Policy and is subject to budget constraints and provided there is a substantial change in the job which has resulted from the partial or full re-structuring of the Department/Faculty.

5.9 Lateral moves

Should an employee be required to move laterally at the request of the University, as a result of an organisation design exercise or to facilitate career growth, the employee will not be prejudiced by the move. However, no basic salary adjustment will be applicable for lateral job level movements / transfers / appointments. In exceptional cases, allowances may be considered.

5.10 Demotions

Should an employee be demoted following a University process, disciplinary process or willingly accept a job at a lower grade, the employee will receive the lesser of his/her existing basic salary, or the maximum of the salary scale applicable to the new job grade/level, depending on the employee's current remuneration.

5.11 Recognition of higher qualification (support services)

Employees who obtain relevant, professional and higher education qualifications that are recognised on the higher education qualifications framework and which are higher than the qualification requirement for their position, subsequent to their appointment, shall receive a 5% once-off bonus based on the annual basic salary, provided certified proof of qualification is submitted within 6 months from date of receipt.

5.12 Salary anomalies

5.12.1 Employees who are remunerated beyond the salary ranges will be identified as salary anomalies.

5.12.2 The Executive responsible for Human Resources will provide recommendations to the University Management on an annual basis to address salary anomalies.

5.12.3 Employees will be consulted on how their remuneration could be moved over time to fall within the range for the level.

5.13 Deans / Deputy Deans / Department Heads (Academic) / Directors allowances

5.13.1 Deans / Deputy Deans / Department Heads / Directors will receive a benefit bearing allowance linked to these positions for the duration of their appointment.

5.13.2 The allowance for these positions will be calculated in line with the duties and responsibilities of these positions and will be stipulated in the Remuneration Procedures and Guidelines document.

5.14 Variable remuneration

5.14.1 Scarce and critical skills allowance

The payment of scarcity premiums will be maintained as practice. A scarcity premium will be linked to a position or incumbent when there is a demand for such a post or incumbent and there is limited availability of the necessary skills and competencies in the market. The University therefore will pay such scarcity premiums as an allowance to employees who fill these approved positions in order to attract and retain them. Such allowances will be reviewed regularly based on labour market information.

5.14.2 Acting allowances (temporary deployment of staff)

5.14.2.1 Situations that require appointing an individual in an acting capacity at a higher level represent an ideal opportunity to utilise employees from the designated employment equity groups, as well as other existing staff, in positions of increased responsibilities for both evaluative and professional developmental purposes. An acting appointment is therefore seen as beneficial to the incumbent.

5.14.2.2 An acting allowance is payable when a staff member is required to undertake the full duties and responsibilities of a higher level post for a continuous minimum period of longer than one calendar month.

5.14.2.3 A staff member may not be appointed in an acting capacity to a position, which is higher than two levels above their substantive job level/grade and should meet most, if not all, of the minimum requirements for the higher level post.

5.14.2.4 The acting allowance will be calculated at 5% of the maximum of the salary range of the position the staff member will be acting in.

5.14.3 Acting Dean Allowance

5.14.3.1 A Deputy Dean who has to act as Dean and undertake the Dean's duties during the temporary absence of the Dean will not receive any additional remuneration over and above the prescribed benefit bearing payment linked to the position of

Deputy Dean at the appropriate post level/grade, which he/she already receives.

5.14.3.2 A Deputy Dean who has to act as Dean in a vacant deanship receives the prescribed additional salary amount linked to the deanship on the appropriate post level proportionally for the period of acting as a non-benefit bearing allowance, over and above the prescribed benefit bearing payment linked to the position of Deputy Dean at the appropriate post level/grade which he/she already receives, provided that the duration of the period of acting exceeds one calendar month.

5.14.3.3 In faculties with no Deputy Dean where a Head of a Department is acting as Dean during the temporary absence of the Dean or in a vacant deanship, that Head of Department will receive the prescribed additional salary amount linked to the deanship on the appropriate level proportionally for the period of acting as a non-benefit bearing allowance, over and above the prescribed benefit bearing payment linked to the position of Head of Department at the appropriate level which he/she already receives, provided that the duration of the period of acting exceeds one calendar month.

5.14.4 Acting Deputy Dean allowance

5.14.4.1 An academic employee who has to act as a Deputy Dean and undertake the Deputy Dean's duties during the temporary absence of the Dean will not receive any additional remuneration over and above the prescribed benefit bearing payment linked to his/her position which he/she already receives.

5.14.4.2 An academic employee who has to act as Deputy Dean in a vacant deputy deanship receives the prescribed additional salary amount linked to the deputy deanship on the appropriate post level proportionally for the period of acting as a non-benefit bearing allowance, provided that the duration of the period of acting exceeds one calendar month.

5.14.5 Acting Head of Department (Academic)

5.14.5.1 An employee who is not yet a Head of Department who acts as Head of an academic department for at least one calendar month receives a post level linked Head of Department allowance applicable to the Department, proportionally for the acting period.

5.14.5.2 An employee who is already Head of an Academic Department and receives the applicable Head of Department allowance and then acts as Head of another academic department for a period of at least one calendar month; will receive an allowance proportionally for the period of acting in addition to existing Head of Department allowances; with the understanding that such an employee receives only that part of the post level

which is more than the amount already received at the current post level.

5.14.6 Acting Head (Support)

An employee who has to act as a Head of a Support Department for a continuous period of one calendar month and longer receives an additional non benefit bearing allowance linked to the post of the Head, proportionally for the acting period.

5.14.7 Relocation and removal allowance

New employees who are permanently appointed and relocate to Gauteng shall receive a once-off non-pensionable allowance in line with the remuneration procedures.

5.14.8 Retention allowance

In exceptional cases, the University may consider requests to make remuneration adjustments or increase offers of employment to attract and retain key employees where the loss of these employees will impact negatively on the department's strategic objectives. The employee's performance and expertise will also be taken into account.

5.14.9 Overtime

5.14.9.1 Overtime refers to the approved time worked in addition or in excess of the maximum number of ordinary hours of work due to unforeseen circumstances or in accordance with the University's operational requirements including scheduled overtime for a University sanctioned event or function.

5.14.9.2 The University recognises that overtime can be a useful and cost effective mechanism to meet variable operational requirements. In particular, it can utilise existing people, skills and infrastructure, cost effectively, with minimum disruption, to meet operational needs.

5.14.9.3 Prior approval for overtime must be obtained. Overtime can only be considered for staff members who are eligible in terms of the Working Hours and Overtime Policy.

5.14.10 Shift allowance

Support service employees who are working in an environment where they are working abnormal hours on an ongoing rostered shift basis will be eligible for the payment of shift allowances in terms of the Basic Conditions of Employment Act (if applicable), other applicable legislative regulations and codes of good practice.

5.14.11 Standby allowance

Support service employees will be eligible for a standby allowance if it is an inherent requirement of the job that they be scheduled to be available for

performance of duties and responsibilities outside of their normal working hours. In the event of a call out the employee will also be entitled to overtime as applicable.

5.14.12 Night work

- 5.14.12.1 Night work refers to work performed after 18:00 and before 06:00 the next day.
- 5.14.12.2 An employee has to agree to perform night work and should be compensated by the payment of an allowance, which may be a shift allowance or by reduction of working hours.
- 5.14.12.3 Transportation should be available between the employee's place of residence and the workplace at the commencement and conclusion of the shift.
- 5.14.12.4 The employee must be informed in writing of any health or safety hazards associated with the work to be done.

5.14.13 Cell phone allowance

A cell phone allowance may be granted to employees due to operational needs of their position, which may vary according to job level/grade on an annual basis, and may be withdrawn or revised in terms of the requirements of the position.

5.14.14 Performance related bonuses

- 5.14.14.1 Exceptional performance to the top performers in each unit may be rewarded by a once-off annual performance bonus awarded in terms of the provisions of the budget for the financial year.
- 5.14.14.2 NRF-rated academic staff will receive fixed annual awards for the duration of their rating, the amount depending on their rating.
- 5.14.14.3 Exceptional achiever awards will be awarded in accordance with the applicable regulations.

5.14.15 Surgical allowance

- 5.14.15.1 Surgeons at the Faculty of Veterinary Sciences with specialist qualifications receive an additional allowance calculated on their total remuneration package. Surgeons without a specialist qualification receive a smaller amount.
- 5.14.15.2 This allowance may vary on an annual basis and will be detailed in the Remuneration Procedures and Guidelines document.

5.15 Leave gratuity upon termination

5.15.1 The leave payment due on resignation/retirement shall be equal to the 15 working days statutory leave obligation as per the Basic Conditions of Service less actual leave days taken.

6. OUTSIDE WORK AND ADDITIONAL REMUNERATION

Outside work and additional remuneration are dealt with in the:

- Payment of claims for remuneration out of external funds policy and in,
- Code of conduct for staff members (academic and support): business practices.

7. REMUNERATION GOVERNANCE FRAMEWORK

- 7.1 The University will ensure that all remuneration and reward practices are in compliance with applicable legislation and that employees are remunerated fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
- 7.2 The Human Resources Committee of Council (HRCC) is responsible for the establishment, monitoring and implementation of a best practice remuneration policy based on the needs of the University.
- 7.3 Line managers (directors/heads of departments and upwards) are responsible for the determination, revision and adjustment of remuneration of staff members, provided that any remuneration decision must be clarified with the Human Resources Department and approved by the immediate line manager and is in compliance to the policy and procedures.
- 7.4 The Human Resources Department is responsible for:
- 7.4.1 The implementation of this policy in terms of the necessary processes, systems and procedures.
 - 7.4.2 The design and maintenance of the job evaluation, grade and remuneration structure, based on this policy.
 - 7.4.3 The necessary survey information and benchmarks.
 - 7.4.4 The provision of management information.

8 ANNEXURES

- 8.1 Remuneration Procedures
- 8.2 Salary Scales for Academic and Support Sectors

9 ASSOCIATED DOCUMENTS

9.1 Relevant guiding legislation, other policies/documents

- 9.1.1 Basic Conditions of Employment Act 75 of 1997 as amended
- 9.1.2 Labour Relations Act No 66 of 1995 as amended
- 9.1.3 Employment Equity Act, No 55 of 1998 as amended
- 9.1.4 Working hours and overtime policy

- 9.1.5 Recruitment, selection and appointment policy
- 9.1.6 Job evaluation policy
- 9.1.7 Performance management policy
- 9.1.8 Leave policy
- 9.1.9 Payment of claims for remuneration out of external funds policy
- 9.1.10 Code of conduct for staff members

10. RESPONSIBILITY FOR IMPLEMENTATION

The Executive Member responsible for Human Resources is responsible for overseeing the implementation of this policy.

11. POLICY LIFECYCLE

This policy should be reviewed every 3 years effective from 1 January 2019.

12 DOCUMENT METADATA

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