

Lesedi Local Municipality



LEAVE ENCASHMENT POLICY

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LEAVE ENCASHMENT POLICY

1. PURPOSE OF POLICY

The purpose of this policy is to regulate the encashment of leave by employees of the Municipality.

2. APPLICATION OF POLICY

This policy applies to all employees of the Municipality.

3. INCORPORATION OF COLLECTIVE AGREEMENT

- 3.1 A Collective Agreement on Conditions of Service (“the Collective Agreement”) was entered into between the South African Local Government Association, the Independent Municipal and Allied Trade Union and the South African Municipal Workers’ Union and came into operation on 1 January 2007.
- 3.2 The Municipality is bound by the provisions of the Collective Agreement.
- 3.3 The Collective Agreement regulates, inter alia, the encashment of leave and this policy is intended to give effect to the provisions of the Collective Agreement insofar as it relates to the encashment of leave.
- 3.4 If there is any conflict between the provisions of this policy and the provisions of the Collective Agreement insofar as they relate to the encashment of leave, then the provisions of the Collective Agreement shall prevail.
- 3.5 If the Collective Agreement is superseded by another collective agreement dealing with leave which is binding upon the Municipality, or if any provision of the Collective Agreement relating to leave is amended, then this policy shall be amended to give effect to the relevant provisions of such other collective agreement or such amendment.

4. ENCASHMENT OF LEAVE

In those instances where an employee of the Municipality is employed by the Municipality in terms of an individual contract which contains provisions relating to the encashment of leave, the provisions of the contract will apply. In all other instances, all leave accrued to employees shall be dealt with as follows:

- 4.1 In accordance with the Collective Agreement, all employees must take a minimum of 16 days accrued leave per leave cycle.

- 4.2 In accordance with the Collective Agreement, accrued leave not taken in a leave cycle may be accumulated to a maximum of 48 days.
- 4.3 In accordance with the Collective Agreement, and subject to sections 4.4, 4.5 and 4.6 of this Policy, accumulated leave in excess of 48 days shall fall away and be forfeited by the employee if the employee fails, refuses or neglects to take leave due to him or her despite being afforded an opportunity to take such leave.
- 4.4 In accordance with the Collective Agreement, any leave in excess of 48 days may be encashed should the employee be unable to take such leave as a result of operational requirements.
- 4.5 An employee may encash a maximum of 8 days in any leave cycle, subject to the following conditions:-
- (i) the encashment of leave in terms of this section is not an automatic right and shall only be permitted when approved by the Municipal Manager in special circumstances relating to family responsibility or cases of emergency or urgency;
 - (ii) applications for the encashment of leave in terms of (i) above will only be considered if the employee concerned has already taken 16 days leave in the leave cycle in which the application is made or has accrued or will accrue sufficient days to enable the employee to take 16 days leave in that cycle;
 - (iii) applications for the encashment of leave in terms of (i) above must be accompanied by written motivation and documentary evidence supporting such motivation, as well as a statement by the Human Resources Department:-
 - A. confirming that the applicant has or will accrue sufficient leave to enable him or her to take 16 days leave in the leave cycle and encash the number of days sought to be encashed;
 - B. indicating the number of days already encashed by the applicant in the leave cycle concerned.
 - (iv) applications for the encashment of leave in terms of (i) above must be made prior to the normal monthly payroll closing date and shall be paid on the payday for the month to which that payroll closing date relates;
 - (v) in the event of an employee encashing leave in terms of (i) to (iv) above and then failing to take 16 days leave in the leave cycle in which the leave was encashed, the employee concerned shall forfeit accrued leave equivalent to the number of days leave encashed.
- 4.6 If leave is encashed pursuant to 4.4 or 4.5 of this Policy, the value thereof shall be determined at the employee's rate of pay as at the date of encashment.
- 4.7 In accordance with the provisions the Collective Agreement, in the event of the termination of service, an employee shall be paid his or

her leave entitlement in terms of the relevant provisions of the Basic Conditions of Employment Act, 1997.

5. ADMINISTRATION OF POLICY

The Municipal Manager shall be responsible for the administration of this policy; provided that the Municipal Manager may delegate all or any of his responsibilities and functions herein to such manager or managers of the Municipality as he or she deems appropriate.

6. REVIEW OF POLICY

This policy may be reviewed at any time at the discretion of the Municipal Manager and shall be reviewed whenever any circumstance contemplated in 3.5 arises.

7. COMMENCEMENT

This policy shall come into effect on 30 May 2013.

Mr. A Makhanya
Municipal Manager
Lesedi Municipality

Date: