

67 Church Street, EmaXesibeni, 4735
Tel: +27 (0)39 254 6000
Fax: +27 (0) 39 255 0167
Web : www.umzimvubu.gov.za



UMZIMVUBU
— LOCAL MUNICIPALITY —

Dabula Street, Sophia, KwaBhaca
P/ Bag 9020, KwaBhaca, 5090
Tel: +27 (0)39 255 8500
Fax: +27 (0) 39 255 0167

LEAVE ENCASHMENT POLICY



LEAVE ENCASHMENT POLICY

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1. PURPOSE OF THIS POLICY

- 1.1 To regulate the encashment of leave by employees of the Municipality, in compliance with the Basic Conditions of Employment Act, No 75 of 1997 and to the Collective Agreement on Condition of Service insofar as it relates to leave.
- 1.2 To provide grounds for encashment of annual leave.
- 1.3 To regulate encashment of annual leave within the municipality

2. APPLICATION OF POLICY

- 2.1 This policy applies to all employees of the Municipality
- 2.2 This policy also applies to non permanent employees of the municipality
- 2.3 This policy also applies to experiential trainees.

3. LEGAL FRAMEWORK AND REQUIREMENTS FOR ENCASHMENT OF ANNUAL LEAVE AND TIME-OFF

- 3.1 Annual Leave pay shall be transacted in terms of Section 20 (11) of the Basic Conditions of Employment Act, No 75 of 1997
- 3.2 Annual Leave pay shall also be transacted in terms of Section 21.
- 3.3 Annual Leave pay shall also be transacted in terms of Section 35 and Section 40 of the Basic Conditions Of employment Act, No 75 of 1997
- 3.4 Time-off shall be transacted in terms Section 16 and 40 of the Basic Conditions of Employment Act No 75 of 1995
- 3.5 The Annual leave encashment shall also be conducted in terms of the Collective Agreement on Conditions of Service concluded by the South African Local Government Bargaining Council.
- 3.6 If there is any conflict between the provisions of this policy and the provisions of the Collective Agreement and Basic Conditions of Employment Act, No 75 of 1997 in so far as they relate to the encashment of annual leave, then the provisions of the Collective Agreement and Basic Conditions of Employment Act, No 75 of 1997 shall prevail.
- 3.7 If the Collective Agreement is superseded by another Collective Agreement dealing with annual leave which is binding upon the Municipality, or if any provision of the Collective Agreement relating to annual 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. GENERAL PROVISIONS FOR ENCASHMENT OF ANNUAL LEAVE TIME OFF

- 4.1 Encashment of annual leave shall be done on the following grounds:
 - 4.1.1 On termination of Service.
 - 4.1.2 Upon receipt of a Long Service Award in terms of the Collective agreement
 - 4.1.3 When annual leave application is disapproved on grounds of operational requirements.
 - 4.1.4 Upon expiry and/or assumption of a new contract of employment/when a municipal employee is appointed into a new position, but still within the municipality.
- 4.2 There shall be a provision for encashment for any accumulated time off on termination of service in so far as this is permissible in terms of Section 40 of the BCEA.
- 4.3 It shall be incumbent upon each employee to take time-off accumulated prior to the expiry of the 12-month period.
- 4.4 **The employee's time**-off that is not taken in terms of clause No. 4.3 of this policy shall be automatically forfeited by the employee concerned if this is not due to operational requirements.
- 4.5 The Manager concerned responsible for approval of the annual leave application shall reserve the right to change the dates of contemplated annual leave in consultation with the employee concerned in order to avoid unnecessary annual leave encashment.

5. ADMINISTRATION OF POLICY

- 5.1 Annual Leave encashment application shall be completed by the employee in a prescribed form, in respect of the following grounds: namely:
 - 5.1.1 Long Service Awards in terms of the applicable Collective Agreement as signed by parties.
 - 5.1.2 When annual leave application is disapproved on grounds of operational requirements.
 - 5.1.3 Expiry or a new employment contract/ an employee is appointed into a new position within the municipality.
- 5.2 Notwithstanding sub clause no. 5.1.2, only a half of the number of annual leave days disapproved shall be permitted for encashment subject to such number of days not exceeding a minimum number of annual leave days that the employee is supposed to take in each year.
- 5.3 The annual leave encashment shall be approved by the Municipal Manager or a person acting in the position of the Municipal Manager.
- 5.4 The encashment of long service leave must take place in the same year that the employee qualifies for the long service leave.
- 5.5 Long Service shall be paid in June for employees employed January – June, paid in December for employees employed July- December and on termination of employment.

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6. COMMENCEMENT

- 6.1 This policy will come into effect on the date of adoption by the Council.

7. INTERPRETATION OF THIS POLICY

- 7.1 All words contained in this policy shall have an ordinary meaning attached thereto, unless the definition or context indicates otherwise.
- 7.2 Any dispute on interpretation of this policy shall be declared in writing by any party concerned.
- 7.3 The Office of the Municipal Manager shall give a final interpretation of this policy in case of a written dispute.
- 7.4 If the party concerned is not satisfied with the interpretation, a dispute may then be pursued with the South African Local Government Bargaining Council or Arbitration.

8. PERMANENT/TEMPORARY WAIVER OR SUSPENSION OF THIS POLICY

- 8.1 This policy may be partly or wholly waived or suspended by the Municipal Council on a temporary or permanent basis after consultation with Management and Trade Union/s.
- 8.2 Notwithstanding clause No. 8.1 the Municipal Manager may under circumstances of emergency temporarily waive or suspend this policy subject to reporting of such waiver or suspension to Council and Trade Union/s.

9. AMENDMENT AND/OR ABOLITION OF THIS POLICY

- 9.1 This policy may be amended or repealed by the Council after consultation with Management and Trade Union/s.

10. COMPLIANCE AND ENFORCEMENT

- 10.1 Violation of or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

- 10.2 It will be the responsibility of all Managers, Supervisors, Executive Committee and to enforce compliance with this policy.

APPROVAL OF THE POLICY

The Municipality Council has improved this policy and amendments thereof.

AUTHENTICATION

The amendment of this policy was approved by the municipal council on the

29/04/2025.....

As per council resolution number UIMC 073.....

Signed off



MR. GPT NOTA

MUNICIPAL MANAGER



CLLR. NG-MDZINWA

SPEAKER OF THE COUNCIL