



LEAVE ENCASHMENT POLICY

Date Approved:	
Date Implemented:	

1. PURPOSE

The purpose of this policy is to regulate the encashment of leave by employees of the municipality, having regard to the collective agreement insofar as it relates to leave.

2. SCOPE OF APPLICABILITY

The policy is applicable to all officials of the Ingwe Municipality who are appointed in terms of the Municipal Systems Act and who fall within the scope of Local Government Bargaining Council and those appointed on the fixed term contract (Section 54 and 56 employees).

3 INCORPORATION OF COLLECTIVE AGREEMENT

- 3.1 A "main Collective Agreement" on conditions of service (the Collective Agreement) was entered in to between the South African Local Government Association, the Independent Municipal and Allied Trade Union, and the South African Municipal Workers Union on the 18th of June 2007.
- 3.2 The municipality is bound by the provision 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- 3.5 If the Collective Agreement is superseded by another Collective Agreement dealing with leave which is binding upon the municipality, or if any provision of the Collective Agreement relating to leave is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

- 4.1 In accordance with Collective Agreement, all leave accrued to employees of the municipality as at 31 December 2003 shall be dealt with as follows: -
- 4.1.1 The value of such leave shall be determined at the rate of pay as at 31 December 2003;
 - 4.1.2 Employees shall either take or encash such leave within a period of 2 years calculated from 1 January 2004;
 - 4.1.3 Employees shall be encouraged to at least take a minimum of 16 days annual leave per annum.
 - 4.1.4 Notwithstanding the provisions of 4.1.2, an employee is entitled to retain a maximum of 48 days of accrued leave.
- 4.2 In accordance with the Collective Agreement, leave accumulated subsequent to 1 January 2004 may be accumulated to a maximum of 48 days inclusive of those days referred to in 4.1.2.
- 4.3 Employee shall apply for leave and must be reasonable declined by the HOD or his/her delegate on operational requirements
- 4.4 In accordance with 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. If, despite being afforded opportunity to take leave, an employee fails by refusing or neglects to take leave due to him or her; such remaining leave shall fall away and be forfeited by the employee.
- 4.5 Leave encashment shall be processed in June of each financial year. Maximum number of 10 days to be encashed.
- 4.6 If leave is encashed pursuant to 4.3, the value thereof shall be determined at the employee's rate of pay as the date of encashment.
- 4.7 At the end of the leave cycle, employees may not have more than 48 days annual leave to his/ her credit.
- 4.8 In accordance with the provisions of 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 of 1997.

5. ADMINISTRATION OF POLICY

The Municipal Manager/Acting Municipal Manager shall be responsible for the administration of this policy, provided that the Municipal Manager/Acting Municipal Manager may delegate all or any of his/ her responsibilities and functions hereunder to such manager or managers of the municipality as he/she deems appropriate.

6. REVIEW OF POLICY

This policy shall be reviewed annually or whenever any circumstance contemplated in 3.5 arise.

7. COUNCIL APPROVAL AND EFFECTIVE DATE

Approval of Policy by Council and Effective date: -----

MUNICIPAL MANAGER

DATE

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