

**NGQUSHWA LOCAL
MUNICIPALITY**



**PAYROLL POLICY
2022/2023**

Summary

Publication Date	
Review Date	
Related Legislation/Applicable Section of Legislation	
Related Policies, Procedures, Guidelines, Standards, Frameworks	
Replaces/ Repeals (whichever is relevant, if any)	
Policy Officer (Position)	
Policy Officer (Phone)	
Policy Sponsor (Position)	
Department Responsible	
Unit responsible	
Applies to	
Key Words	
Status	
Council approval date	
Version	

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REVISION RECORD

Date	Version	Revision Description

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1. **DEFINITIONS**

"*working day*" means Monday to Friday as per the council official working hours.

2. **PURPOSE**

The purpose of the policy is to regulate the date on which all councillors, employees and creditors of the Ngqushwa Local Municipality will be paid.

3. **OBJECTIVES OF THE POLICY**

The objectives of this policy are to:

- 3.1 To regulate the payroll practices used in the past;
- 3.2 To regulate the payroll as to when remuneration and/or allowances will be paid; and creditors
- 3.3 To ensure all employee, and councillors understand the payroll principles.

4. **SCOPE OF THE POLICY**

This policy will apply to all:

- 4.1 Councillors;
- 4.2 Permanent employees;
- 4.3 Contractual employees;
- 4.4 Temporary employees;
- 4.5 Fixed term contract employees;
- 4.6 Seasonal workers.

5. **LEGISLATIVE FRAMEWORK**

This policy must be read in conjunction with the -

- 5.1 Remuneration of Public Office Bearers Act, Act 20 of 1998, as amended.
- 5.2 Basic Conditions of Employment Act, Act 75 of 1997, as amended.
- 5.3 Main Collective Agreement (MCA).
- 5.4 Municipal Finance Management Act (Sec 66)

6. **POLICY PRINCIPLES**

6.1 The employer will pay to an employee his/her remuneration in South African Rand monthly by means of a cheque or by direct deposit into an account designated by the employee whichever is applicable.

6.2 The remuneration payable must be no later than seven (7) days after:

- (i) the completion of the period for which the remuneration is payable; or
- (ii) the termination of the contract of employment.

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6.3 Subsection 5.2 does not apply to any corrections and adjustments to the remuneration payable of an employee.

7. **COUNCILLORS AND PERMANENT EMPLOYEES**

7.1 For newly elected councillors the payroll for the first month will be on the 25th of the month.

7.2 For newly appointed permanent appointed employees, the payroll will be on the 25th of the month subject to:

- 7.2.1 Submission of time sheet and/or attendance register where applicable.
- 7.2.2 Submission of SARS income tax number.

7.3 The payroll will be on the 25th day of each month, or the last working day before the 25th should payroll fall on a:

7.3.1 Saturday;

7.3.2 Sunday;

7.3.3 Public holiday; or

7.3.4 Day after a public holiday.

except for Mondays, the payday will fall on the Saturday.

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7.4 For the month of December in every year payday will be on the closing day of the year with the exception of circumstances as set out in paragraphs 6.1, 6.2 and 6.3.

7.5 All newly elected councillors and permanent appointed employees will be paid by means of an electronic transfer from municipal bank account to the elected employee's bank account.

7.6 For outgoing councillors and resigning / dismissed / retiring permanent employees, payroll for the last month will be on the 25th day of the month subject to:

7.6.1 Duly authorized exit form was received.

7.6.2 All types of leave forms were submitted and processed.

7.6.3 Submission of time sheet until last working day.

7.6.4 All required tools of trade were handed in.

7.6.5 Handover of duties and /or outstanding work to immediate supervisors.

7.7 Failure to submit the information in 6.6 three (3) working days before last working day may result that the last payment is withheld on the last working day except for 6.6.3 which must be submitted on last working day.

7.8 No leave must be granted in the notice period for resigning, retiring permanent employees.

7.9 Because permanent employees are paid on the 25th day of each month in advance of the period for which remuneration is payable at least five (5) days accrued leave or pro-rata leave days should be kept and be available at all times.

7.10 Should these days not be available, such employees will be paid on the last working day of the month.

8. **CONTRACTUAL EMPLOYEES**

8.1 Payroll for contractual employees will be on the 25th day of each month in advance of the period for which remuneration is payable at least five (5) days accrued leave or pro-rata leave days should be kept and be available at all times.

8.2 Submission of SARS income tax number.

9. **TEMPORARY EMPLOYEES AND SEASONAL WORKERS**

9.1 Payroll for temporary employees and seasonal workers will be on the last working day of every month, but no later than seven (7) working days of the last day on which work was performed subject to:

9.1.1 Timeous submission of time sheet and/or attendance registers.

9.1.2 Submission of SARS income tax number.

9.2 **3rd PARTIES PAYMENTS**

9.2.1 All deductions pertaining to 3rd parties are deducted from employees earning during the processing of salaries.

9.2.2 Those 3rd parties deductions includes statutory deductions includes [PAYE, UIF](#) and SDL.

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9.2.3 Payments for 3rd parties are processed after the 25th of the month [i.e.](#) before month end.

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10. **GENERAL ADMINISTRATION**

10.1 Pay slips will be submitted 3days before the pay day of each month.

10.2 Salary enquiry day will be the first Tuesday of every month or as determined from time to time.

10.3 Submission of overtime and or any other related salary information, which will influence the pay of an employee, must be submitted by the relevant directorate no later than 10 working days before payday of the month.

10.4 The payroll will be closed on the 15th of each month or last working day before the 15th. Any Information received after this date will be dealt with the next payroll.

10.5 All payments relating to 3rd parties are executed after salary payment date or before the 3th of the month.

11. **CORRECTIONS / OMMISIONS FROM PAYROLL**

11.1 Any omissions, corrections to the payroll and/ or individual and /or group of employees will only be done with the next pay month.

11.2 No corrections will be made during pay periods. (Last pay date to next pay date)

11.3 Director's and/or supervisors must submit information on any type of incorrect pay to the salary office 10 working days before the closing of the payroll input submission.

12. **IMPLEMENTATION AND REVIEW PROCESS**

12.1 This policy will be reviewed at least annually or when required by way of a council resolution.

13. **SHORT TITLE**

13.1 This policy shall be called the Payroll Policy of the Ngqushwa Local Municipality.

14. **APPROVAL BY COUNCIL**

This Policy is approved by Council and will be effective from the date of approval

APPROVED BY COUNCIL ON.....2022 UNDER AGENDA ITEM NO.....

MUNICIPAL MANAGER

MAYOR OBO COUNCIL

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