



## **HUMAN RESOURCE POLICY ANNUAL LEAVE ENCASHMENT**

<b>Policy No: NLMHREB008</b>	<b>Effective Date: 01 April 2008</b>
<b>Approved:</b>	<b>Review Date: 01 April 2009</b>

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary, subject to Labour Law Dispensation or operational requirements.

### **1. SCOPE**

Applies to all permanent employees who have accumulated annual leave in excess of 48 days accrued leave entitlement, and who have for operational requirements have been prohibited to take such leave.

### **2. PREAMBLE**

This policy must be read in conjunction with the SALGBC Conditions of Service Collective agreement contained in the reference section of this manual.

It is Ngwathe's intention to ensure that all employees take the legislated minimum leave requirements on an annual leave cycle basis, which will ensure that employees have the necessary rest to maintain their productivity and motivation. However it is also acknowledged that employees who are entitled to additional entitlements may for operational requirements not be able to take such leave.

In these circumstances, Ngwathe does not believe that employees should lose such leave but should be remunerated accordingly for such accrued leave.

### 3. POLICY

Employees may accrue no more than 48 working days leave inclusive of previous accrual prior to 31 December 2003. In circumstances where the taking of leave is prohibited due to operational requirements, Ngwathe will allow the encashment of leave in excess of the accrual amount.

### 4. STAKEHOLDER ANALYSIS

Role	Responsibility
Municipal Manager / Director Corporate Services (subject to its delegations if any)	Final responsibility to sign off any payments to be made
Council	
Line Manager	Recommends leave amount for encashment
Human Resources	Verification of leave balances and accruals
Labour Representatives	

### 5. PROCEDURE

Criteria for encashment of leave:

- Leave application submitted by employee to Line Manager.
- Line Manager takes into account, operational requirements and determines that the leave may not be granted.

- The refusal of such leave will place the employee's leave balance in excess of 48 days.
- The Line Manager to motivate for the encashment of leave for amount in excess of 48 days i.e. the amount of days leave that the employee stands to lose.
- The motivation for the encashment should be forwarded to the Director: Corporate Services who will verify the accuracy of the information and submit to Municipal Manager for approval.
- Encashment to take place through the payroll and will be subject to taxation. Details of payment made will be reflected on the respective month's pay slip.

Employees who do not submit applications for leave, and where such leave would not ordinarily be refused, are not eligible for encashment of leave.

## 6. AUTHORITY

Formulation Policy	:	Municipal Manager
Authorisation Policy	:	Council
Ownership and Maintenance Manager	:	Director Corporate Services

**ANNEXURE A**  
**LEAVE ENCASHMENT PROCESS**

