

Overtime Policy

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Overtime Policy

Sanlam Life and Savings

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1. Overview

This policy has as its purpose to provide guidelines to management within the Sanlam Group's business in respect of the compensation of employees for overtime, based on the Basic Conditions of Employment Act, 1997 (BCEA). In doing so, this policy deals with the limitation on overtime hours, the manner in which overtime is calculated, as well as the categories of employees that qualify for overtime payment.

The company recognises that overtime will always be required from time to time in some or all of its businesses. The company also recognises that overtime is a deviation from normal working time; therefore the consent and cooperation of employees are essential.

2. Purpose

- To provide a clear understanding of how overtime applies and is managed in Sanlam.
- To ensure that Sanlam complies with the provisions of labour legislation regulating overtime.

3. Scope

The policy applies to permanent and fixed term contract employees of Sanlam Life and Savings, Sanlam Retail Affluent, Sanlam Retail Mass, Group Office and SGT businesses.

Businesses within the Sanlam Group may draft their own overtime procedures to reflect their business requirements, provided the provisions of such procedures are not in conflict with this policy and/or the BCEA.

This policy must be read in conjunction with the company's policy on working hours.

4. Understanding the BCEA

- Overtime work must be agreed contractually (usually at the start of employment) and consented to by employees. Overtime therefore is only applicable where the company request the employee to work overtime and the employee consent to it. This consent is contractually agreed to as part of the employment contract of the employee.
- Overtime **payment** only applies to employees earning below the earning threshold as stipulated by the Government Notice from time to time.
- The current Earning Threshold * is R224 080.48per annum.
- Employees, who earn in excess of the Earning Threshold stipulated by the Government Notice, shall not be entitled to payment for overtime worked.
- The maximum number of overtime hours an employee may be expected to work is ten (10) hours per week.
- An employee may not be required or be permitted to work more than twelve (12) hours on any day, inclusive of overtime.
- No employee may be required or permitted to work more than the permissible maximum overtime per week.

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5. Payment and Time off

Employees' who qualify for overtime work performed, will only be entitled to receive overtime payment in the event of such overtime work being formally requested by the company.

- Overtime worked by employees who earn below the threshold (based on PEAR) will be remunerated at the rate of one and half (1.5) times the employee's normal hourly rate of pay.
- If the company and the employee agree to the granting of time off as payment, the rate shall be 90 minutes for every hour of overtime the employee has worked.
- Employees who earn above the threshold will be remunerated at a rate of one (1) times their normal hourly rate, whether payment is made in money or as time off. This will only apply in exceptional cases and as per agreement.
- Work done on Sundays and public holidays will be remunerated at double times the employee's normal hourly rate of pay in accordance with the BCEA.

Please read the ANNEXURE A below for detailed information on the different calculation basis of remuneration for the days of overtime worked

6. Reasonable notice

Employee's health and wellbeing is a priority to the company, and the company aims to ensure that all its employees enjoy a balanced lifestyle between personal and work demands.

Therefore, the company undertakes to provide reasonable notice to its employees when overtime periods can reasonably be predicted. Employees may be expected to make arrangements to accommodate the request. However, in some cases employees may be required to work overtime at short notice. In either case, management shall strive to give employees reasonable notice of overtime. Reasonableness (i.e. the length) of the notice will depend on the circumstances of each case.

7. Failure to work overtime

Employees who have agreed to work overtime should be prepared to honour their commitment to the company. Failure or the refusal to work overtime when required or instructed constitutes misconduct, unless there is a valid reason. Disciplinary action, including dismissal, may be taken against the employee. Each instance will be assessed on its own merits.

7.1. Examples of the different overtime categories

- From Monday to Saturday
- On a Sunday
- On a public holiday from Monday to Friday
- On a public holiday on a Saturday.

8. Calculation Base

For permanent and fixed term contract (FTC) employees the following calculations will apply (per month):

- PEAR: 80% of Total Guaranteed Package (a PEAR value will be calculated for FTC employees).

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- Hourly rate: monthly PEAR/hours a month (i.e. 162.5 for a full day contract or the hours specified in the half day & temporary contracts).
- Daily rate: Monthly PEAR/21.6666.

9. Submission of overtime claims

For every day you worked overtime, an overtime claim must be submitted and approved on Myworkspace. Overtime claim submissions are done on Employee Self-Service on Myworkspace and line managers must approve the claim via Manager Self-Service.

9.1. Compulsory fields

9.1.1. Date overtime worked:

- This is the date that you worked overtime.
- The date format must be yyyy/mm/dd.

For example: overtime worked on 8 July 2022 must be completed as 2022/07/08.

9.1.2. Overtime hours worked:

- The actual overtime hours you worked must be completed.
- Minutes you worked must be completed as a decimal e.g.: for 7 hours and 15 minutes worked, it must be submitted as 7.25 etc.

9.1.3. Additional fields

Cost centre:

This field must be completed only if employees worked overtime for a different cost centre. If overtime is to be claimed against more than one cost centre, a separate overtime claim must be completed for each cost centre.

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Annexure A

	Income below threshold (PEAR less than R224 080.48(per annum))		Income above threshold (PEAR greater than R224 080.48(per annum))		COMMENTS
	EXAMPLE: Pear = R8 741.00 p.m. Less than R224 080.48 threshold Hourly rate = R53.79 (R8 741/162.5) Daily rate = R403.43 (R8 741/21.6666) Example based on 2 hours overtime worked		EXAMPLE: Pear = R19 000.00 p.m. Greater than R224 080.48 threshold Hourly rate = R116.92 (R19 000/162.5) Daily rate = R876.93 (R19 000/21.6666) Example based on 2 hours overtime worked		Employees earning above the threshold do not qualify to earn overtime (based on the BCEA). If agreed that overtime will apply (as an exception and as per agreement on a case by case basis) the information in this table indicates the basis for the payments.
MONDAY TO SATURDAY (normal day)	1.5 times hourly rate for overtime hours worked.	1.5 X R53.79 X 2 hours = R161.37	1 times hourly rate for overtime hours worked.	1 X R116.92 X 2 hours = R233.84	
SUNDAY	*Greater of: A full day's pay (at the employee's daily rate) OR 2 times the hourly rate for overtime hours worked.	R403.43 OR 2 X R53.79 X 2 hours = R215.16	1 times hourly rate for overtime hours worked.	1 X R116.92 X 2 hours = R233.84	* If the employee works for less than the normal working hours on this day, then there will be a check for the greater of payment.
MONDAY TO FRIDAY (public holiday)	2 times hourly rate for overtime hours worked.	2 X R53.79 X 2 hours = R215.16	2 times hourly rate for overtime hours worked.	2 X R116.92 X 2 hours = R467.68	
SATURDAY (public holiday)	Calculated at the ordinary daily rate plus 1.5 times the hourly rate for overtime hours worked.	R403.43 plus (1.5 X R53.79 X 2 hrs) = R564.80	1 times hourly rate for overtime hours worked.	1 X R116.92 X 2 hrs = R233.84	