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Overtime at Stellenbosch University

A recent audit of Stellenbosch University's payroll, led by Deloitte, has revealed that the current controls for overtime payments to employees could be enhanced. For this reason, the Human Resources (HR) Division has determined a set of overtime rules and controls that will be implemented as part of its payroll processes. This document describes these new measures.

Basic overtime rules

Overtime rules in South Africa are laid down in the Basic Conditions of Employment Act (BCEA). Under the BCEA, employees may work a maximum of 45 hours a week (excluding lunch hours) at a normal rate of pay. This amounts to nine hours a day for a five-day work week, and eight hours a day for a work week of more than five days.

In terms of the BCEA, overtime applies when employees exceed their normal contracted hours, or 45 hours per week. The normal working hours for University staff vary. Therefore, line managers must familiarise themselves with the times applicable to their staff when regulating working hours and overtime.

Overtime at the University should be implemented under the following conditions:

- Employees may work a maximum of three hours overtime a day, or up to ten hours in any one week.
- Overtime remuneration is paid at 1½ times an employee's hourly cost-of-employment (COE) rate for weekdays, and at twice an employee's hourly COE rate for Sundays and public holidays.
- The University is only obligated to pay for overtime worked if the employee earns less than the annual earnings threshold, which is currently R211 596,30.
- All overtime work is voluntary and can only occur in terms of an agreement between the employer and employee. Where no overtime arrangement is recorded in the employment contract, the environment must obtain the employee's assent to work overtime.
- In terms of the BCEA, employees earning above the annual earnings threshold do not qualify for overtime pay, **unless there is an agreement that entitles them to such payment.**

The University has a responsibility to implement overtime correctly, and to create a safe and sustainable work environment for its employees. This involves keeping track of working hours in environments where overtime is frequently required, so as to prevent the arrangement from being abused.

Please note that line managers must take into account an employee's health and safety as well as family responsibilities in regulating overtime work.

Managers are also responsible to ensure that the regulation of working hours complies with the BCEA.

Required Human Resources overtime controls and processes

To help manage overtime at Stellenbosch University, Human Resources will be implementing the following oversight controls and processes to ensure that BCEA regulations are applied to all overtime payments:

- Overtime payment applications submitted to Human Resources must show sufficient proof that managers applied the BCEA regulations when the overtime was approved. The form in Annexure A indicates the type of information required for future overtime submissions. This form is available on the Human Resources website under HR Forms - [Overtime Claims](#).
- Any overtime exceeding the BCEA regulations must be accompanied by clear reasons for the exception.
- Continuous breaching of the BCEA regulations will be monitored, and must be escalated to the relevant responsibility centre head. This may lead to the suspension of any further overtime payments.

NB: Where an agreement exists to pay overtime, managers are responsible to ensure that employees adhere to the BCEA regulations.

Mr VL Mothobi

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