



# Benefits Policy

(Definitions for terms that are italicised in the text are provided at the end of the document.)

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HEMIS classification	
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## **The core of the policy**

Sets out the details of the benefits available to permanent employees of Stellenbosch University (SU).

### **1. Core benefits**

#### 1.1 Retirement fund



Membership of the Stellenbosch University Retirement Fund (USRF) is compulsory for all permanent employees as from their date of appointment. The normal retirement age is 65 years. Employees must retire before or on 31 December of the year in which they turn 65.

The USRF is a non-contributory provident fund, which means that the employer is the only contributor. Contributions form part of employees' total *cost of employment (COE)*.

Employees have the choice to increase the contribution that the employer makes to the USRF to a maximum of 35% of the *pensionable amount* of the *COE* of the employee concerned. The minimum contribution is 15% of the *pensionable amount*, and increases must be made in multiples of 2,5%.

The USRF's assets are invested in market-value portfolios. Several asset managers are responsible for the fund's market-related investments.

A guaranteed portfolio is available to members who are 53 years or older and who choose to avail themselves of the opportunity.

Six years before the date when an employee is due to retire, SU implements a life phase model with a view to reduce risk levels close to retirement. Employees may, however, decide not to apply the model.

#### 1.1.1 Retirement benefits

Employees have the following choice:

1.1.1.a to receive their full *retirement benefit* in cash, or

1.1.1.b to leave their full *retirement benefit* in the fund until a maximum age of 70 ("deferred retirement"), or

1.1.1.c to convert the full retirement benefit into a pension, or

1.1.1.d to receive any portion of their *retirement benefit* in cash and to convert the remainder into a pension.

1.1.2 Death benefits before retirement A benefit equal to a member's accumulated credit with the fund is payable upon the employee's death. An additional *spouse's pension* – 35% of the *pensionable amount* of the deceased's *COE* – is payable, as well as an additional 10% of the *pensionable amount* to each *dependent child* (limited to three *children*).

The minimum limit for the benefit payable is twice the *pensionable amount* of the deceased's *COE*. Should no *spouse's* or no *children's* pension (or neither of the two) be payable, an amount equal to twice the employee's *pensionable amount* will be paid to the deceased's *dependants* or nominated beneficiaries, or be divided among such *dependants* and nominated beneficiaries.

With effect from January 2018 employees without a qualifying spouse and children have the option not to receive this benefit from the Fund. Employees who are exercising this option must do this via the prescribed form on Human resources website. Employees who are exercising this option and later do marry and/or have kids, will have to revert to the insured death benefit in the Fund to allow a pension to be offered to the spouse and/or children on the employees death.



### 1.1.3 Benefits upon resignation

The accumulated value of the retirement fund is payable.

## 1.2 *Scheme for spouse's cover*

Membership of the *scheme* for *spouse's* cover is compulsory for all permanent SU employees who have a *spouse*.

This *scheme* offers insurance on the life of a member's *spouse*. Up until a member reaches 65 years of age his or her *spouse's* life is covered for twice the annual *pensionable amount* of the *COE* of the employee concerned. Once an employee has reached the age of 65 the insured amount decreases by 25%. Besides life insurance, members' *spouses* also are covered for disability up until the age of 60. A conversion option is available upon the *spouse's* death or the member's resignation.

The underwriter determines the contributions to this *scheme* and must collect payment every month from the members, who must pay the full premium themselves.

Payments under the *scheme* for *spouse's* cover must be made to the *member* concerned.

## 1.3 Disability benefits

### 1.3.1 The following periods apply:

- a. After a waiting period of three months a disability income of 75% of the relevant employee's *COE* is payable for an initial maximum period of one year, should the employee be unable to continue his or her own occupation or any other occupation at SU.
- b. After one year the employee will be evaluated to determine whether he or she would be able to follow any occupation for which he or she may be found suitable, or for which he or she could reasonably be expected to be trained in light of the degree of disability and the knowledge and training of the employee concerned.

The benefit remains payable until the person has recovered or has reached the normal retirement age, whichever happens first. During the period of disability the employee remains a member of the fund; therefore, the death benefit also remains effective.

### 1.3.2 Members forfeit their claim to the disability benefit if the disability can be attributed to, or was caused or hastened or exacerbated – whether directly or indirectly – by an illness, accident or injury of the following nature:

- a. for which members received treatment or medication in the six months before the date of their joining the USRF;
- b. for which members received treatment or medication on the date on which they became eligible for disability cover; or
- c. of which members were suffering on the date of their joining the fund.

### 1.3.3 Members are not entitled to the disability benefit also if any of the above applies and the following apply as well:



- a. the disability resumes within 12 months after the date of the relevant member's joining the fund, and
- b. the underwriter did not agree in writing to pay out benefits with regard to such previously existing conditions.

Therefore, it is imperative that employees inform the Human Resources Division (HR) of any condition which they have and which could influence a disability claim in future.

- c. A conversion option is available upon resignation.

#### 1.4 Group life insurance *scheme*

Membership of the group life insurance *scheme* is compulsory for all permanent SU employees. Membership becomes effective on the day of commencement of duties and expires upon the death or resignation of the employee or upon the dissolution of the *scheme*.

This *scheme* offers insurance on the member's life. The cover equals five times the annual *pensionable amount* of the *COE* of the member concerned, up until the member reaches the age of 65. Thereafter the cover amount decreases by 25%.

The underwriter determines the contributions to this *scheme* and must collect payment every month from the members, who must pay the full premium themselves.

Employees have from 1 January 2018 the option to also take additional optional cover of twice their annual pensionable salary.

**Please note: SU will make no contributions to the Group life insurance *scheme* after an employee has left its employ.**

#### 1.5 *Medical scheme*

All permanent employees and their *dependants* are entitled to membership of SU's *medical scheme*. Membership is compulsory for all full-time permanent SU employees, excluding persons at post levels 12 to 19, or who are covered under their *spouse's medical scheme*.

The employer pays all contributions to the fund, as part of employees' total *COE*. **Please note: SU will make no contributions to the *medical scheme* after an employee has left its employ.**

The Regulations to the Medical Schemes Act 131 of 1998 (promulgated in the *Government Gazette* of 7 May 1999) provide for late-joining penalties that may be applied to persons who join a *medical scheme* at a late stage. Should employees request that *dependants* (either adults or *children*) or *spouses* – or both – join the *scheme* at a later stage (i.e. after initial registration), the request will be subject to underwriting and the penalty clause for late joining will be applied, if applicable.

#### 1.6 Funeral cover



Membership is compulsory for all permanent employees. Members receive funeral cover at a minimal premium that they must pay themselves. The benefit consists of the following:

1.6.1 main member and *spouse* – R20 000

1.6.2 *children* between the age of 14 and 21 years – R15 000 and

1.6.3 *children* younger than 14 years – R10 000.

From 1 January 2018 employees have the option to cover members of their extended family under this benefit.

## 1.7 Occupational health

Membership is compulsory for all permanent employees at post levels 12 to 19. The employer pays all contributions to the fund, and these payments are not incorporated into employees' total *COE*.

**Please note: The benefit expires on the date that an employee leaves the University's employ (by retiring or resigning).**

## 2. Optional benefits

### 2.1 Transport allowance

All employees who, due to the nature of their responsibilities, are expected to use their private vehicles for work-related travelling could agree to have SU allocate a certain amount from their total *COE* for travel allowances.

### 2.2 Insurance plan for large medical expenses

All SU employees who belong to a medical scheme can take out this insurance plan for large medical expenses. Even though most *medical schemes* offer an option for comprehensive hospitalisation cover, members may experience financial shortfalls if service providers (e.g. specialists) charge fees that exceed the amounts paid by the medical fund.

The purpose of this insurance plan, therefore, is to finance such potential shortfalls. Employees carry the full cost of these premiums themselves.

### 2.3 Vehicle financing *scheme*

All permanent employees may apply for a loan under this *scheme* to finance and to buy a motor vehicle of their own choice.

The full particulars of this *scheme* are available from the Transport Services Division.

### 2.4 Savings reserve

All permanent employees have the possibility to allocate an amount to a savings reserve. These contributions will be made from post-taxation income and the savings reserve do not earn any interest.

## 3. Other benefits

### 3.1 Acknowledgement of previous employment or accumulated leave for purposes of leave



Employees whom SU appoints with a research brief and who was entitled to study or research leave in the post they held immediately preceding this appointment may apply for SU to acknowledge the unclaimed portion of such leave. Such employees who perform well in the field of research may be considered for research opportunities that are calculated at 30 working days a year, taking into account the leave cycle at their previous workplace.

The Basic Conditions of Employment Act 75 of 1997 stipulates that employers must pay out unclaimed annual leave upon an employee's termination of employment. If these stipulations did not apply to the post that a person held immediately before being appointed at SU and if the employee concerned has accumulated annual leave of more than 30 days, SU will acknowledge this according to the principles set out at 3.1.1 (Working days will be converted to calendar days according to the formula  $W \times 7/5$ , and calendar days to working days according to the formula  $C \times 5/7$ ; where C = the number of calendar days and W the number of working days, as may be the case).

### 3.1.1 Calculation according to post level of appointment

#### 3.1.1.a 1 to 8

Half the accumulated annual leave, calculated at 8 calendar days for every 30 calendar days of accumulated leave, to a maximum of 24 calendar days

#### 3.1.1.b 9 to 11

Half the accumulated annual leave, calculated at 6 calendar days for every 30 calendar days of accumulated leave, to a maximum of 24 calendar days

#### 3.1.1.c 12 to 19

Half the accumulated annual leave, calculated at 4 calendar days for every 30 calendar days of accumulated leave, to a maximum of 24 calendar days

### 3.2 Relocation costs SU's contribution to employees' costs of relocation is subject to the following provisions:

3.2.1 Relocation must take place within the first year of appointment.

3.2.2 Contribution to relocation costs:

The real costs of transporting normal household contents, but exclude items such as:

3.2.2.a motor vehicles, caravans, trailers, boats and motorbikes

3.2.2.b pets – including all expenses related to bringing them into the country from outside its borders (e.g. quarantining, inoculation and customs administration) and

3.2.2.c special collections (e.g. wine and art)

3.2.3 Contribution to travel costs:

3.2.3.a an amount equivalent to economic-class air tickets for employees, their *spouses* and their *dependent children*, for national as well as international travelling; also travelling costs to a maximum of R500



from Cape Town International Airport to the appointee's new place of residence

OR

travelling costs by motor vehicle, limited to the prevailing SU rate per kilometre and to one vehicle, from the appointee's previous place of residence

3.2.3.b Claims for airfare must be corroborated by copies of the relevant tickets.

3.2.3.c Part-time permanent employees will receive only the relevant pro rata portion of their expenses.

3.2.3.d For travel costs from an international point of departure an amount equivalent to single first-class train tickets will be paid for employees and their *dependants* to reach the international airport closest to them.

3.2.4 Storage costs will be paid as follows:

3.2.4.a the expense of one month's storage at the relevant removal company and

3.2.4.b the cost of redelivery from the place of storage to the final place of residence

Employees who leave SU's employ within three years of commencement of duties for any other reason besides poor health must repay the University a pro rata portion of its contribution to their relocation costs.

### 3.3 Leave

3.3.1 Annual leave All permanent employees are entitled to a number of working days' leave a year. The number of annual leave days is linked to a person's post level: 30 working days a year for post levels 1 to 8, 25 working days a year for post levels 9 to 11, and 20 working days a year post for levels 12 to 19 – subject to the following provisions:

3.3.1.a The leave credit in a particular leave cycle increases pro rata over time to reach the maximum at the end of the cycle.

3.3.1.b Annual leave must be taken within 12 months after the relevant leave year has ended, after which unclaimed leave will expire.

3.3.1.c Permanent full-time staff may take annual leave in units of full working days or half a working day.

3.3.1.d Unclaimed annual leave must be paid out upon termination of employment according to the following formula: ('number of days' multiplied by 'the *pensionable amount* of the employee's monthly COE') divided by 21.

#### 3.3.2 Maternity leave

3.3.2.a Permanent female employees are entitled to four months' maternity leave at full COE, which applies also to the adoption of a *child* younger than six months, subject to the following provisions:



- Each female employee will be allowed a maximum of nine months' maternity leave at full *COE* for all her confinements combined; further maternity leave will be allowed strictly as required by law.
- This maternity leave benefit is subject to the employee remaining in *the University's* employ for a continuous period of 12 months after the term of her maternity leave has expired. Should the person's employment be terminated (for any reason whatsoever) before the 12-month-period has expired, she must reimburse *the University* for the full maternity benefit that she received (or such pro rata portion of the 12-month-period that remains) on the date that her employment is terminated. Should the employee fail to do this, *the University* would be entitled to recover the outstanding repayment from the employee.
- As regards the terms of the preceding subparagraph, employees also have the option to take maternity leave in the form of unpaid leave and claim the maternity benefit from the Unemployment Insurance Fund instead.
- SU may, for the sake of the smooth running of affairs and after consultation with the employee concerned, require that maternity leave may begin no more than one month before the expected confinement date.

3.3.2.b No employee may return to the workplace within six weeks of having given birth, unless a medical doctor has certified that she is able to resume her work duties earlier. If her *spouse* or permanent partner is also in SU's employ, he or she may use any remaining portion of maternity leave that is available, subject to the same conditions set out in 3.3.2.a.

3.3.2.c Should an employee prefer not to resume her duties at work for a period after her maternity leave has expired, she may be offered the following choice upon recommendation by her departmental or divisional head:

- taking the annual leave available to her, or
- taking unpaid leave

3.3.2.d Notification of maternity leave must be accompanied by proof issued by a medical doctor indicating the expected confinement date. Employees must give at least four weeks' notification before the commencement of maternity leave, or as soon as reasonably possible.

3.3.2.e Employees who suffer a miscarriage during the last three months of pregnancy or who give birth to a stillborn *child* are entitled to maternity leave of up to six weeks after the miscarriage or still birth, whether the employee concerned already was on maternity leave when the incident occurred or not.

### 3.3.3 Study opportunity



3.3.3.a Employees may be afforded a study opportunity of up to 24 workdays a year, taken either continuously or at intervals, for the purpose of increasing their competence for performing their duties, subject to the following provisions:

- Employees may enrol only for courses that are deemed to be in SU's interests.
- Employees may be granted two days for every examination opportunity in order to write their exams.
- When study opportunities are granted, the following must be agreed upon:
  - What will be deemed to constitute 'satisfactory progress'.
  - Should the employee progress satisfactorily, the study opportunity will not be deducted from his or her annual or accumulated leave.
- Provisions that apply to study opportunities to be taken at intervals:
  - The time allowed for attending lectures, tutorials and practical's at SU will be calculated according to the uninterrupted prescribed duration of a class or laboratory session (including breaks between periods) plus 20 minutes.
  - The full travelling time that employees spend to attend classes outside Stellenbosch will be debited against their annual leave.
  - Employees may attend a maximum of three lectures a week during working hours.

3.3.3.b Employees whom SU expects to possess a certain qualification<sup>1</sup> may be granted a once-off study opportunity of one year in duration, subject to the following provisions:

- The employees concerned must be appointed permanently and must have been in SU's employ for at least two years.
- The employees concerned must perform their duties well. ● The employees concerned must remain in SU's employ for at least another two years after concluding the study opportunity. If such employees terminate their employment sooner, a pro rata portion of the opportunity will be debited against their annual leave or unpaid leave.
- Annual leave for one year – 250 working days – and any study or research opportunities will be treated as credits to the employees concerned; i.e. part of the leave granted to them. In cases where study opportunities overlap with more than one annual leave cycle of an employee, the 250 working days'

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<sup>1</sup> This concerns primarily lecturers, whom *the University* expects to possess a doctorate.



annual leave will be debited pro rata against the two respective leave cycles.

#### 3.3.4 Research opportunity

- 3.3.4.a Staff members with a research brief may be granted research opportunities of maximum 30 working days following each uninterrupted one-year period of employment, provided that – • a maximum of 250 working days may be granted, and
- during the preceding period of three to five years, the staff member concerned has performed satisfactorily in the research field according to the requirements of the faculty concerned as approved by the Executive Committee of Senate – the EC(S).
- 3.3.4.b In exceptional circumstances and in addition to the normal grant meant in 3.3.4.a above, an additional special research opportunity of at most 30 days a year may be allowed for staff members who have performed excellently in the research field. The Senior Director: Research must approve such additional grant after having examined the merits of the particular employee and upon recommendation by the relevant departmental chair and dean, and if the Senior Director deems such grant to be in the University's interests.
- 3.3.4.c Research opportunities must be taken in blocks of at least one month, with due consideration for SU's best interests.
- 3.3.4.d Employees who have been granted a research opportunity must remain in SU's employ for a corresponding period after the opportunity has expired. If such employees terminate their employment sooner, a pro rata portion of the opportunity will be debited against their annual leave or unpaid leave.

#### 3.3.5 Compassionate leave

- 3.3.5.a Compassionate leave with full pay may be granted for:
- 3 working days a year, and
  - another 14 working days during every cycle of three years.
- Thus 23 working days' compassionate leave are available during every cycle of three years.
- 3.3.5.b Employees cannot accumulate compassionate leave.
- 3.3.5c Compassionate leave for a portion of a day or for one or more full days may be granted in the following instances:
- the birth of an employee's *child*
  - illness of an employee's *child*
  - serious illness of an employee's *spouse*, and
  - the death of an employee's *spouse*, parent, parent-in-law, adoptive parent, grandparent, *child*, *grandchild* or sibling, or family member.



3.3.5.d SU may request reasonable proof of an incident before granting compassionate leave.

### 3.3.6 Leave of absence

3.3.6.a Employees may be granted leave of absence of 15 working days at most per occasion to attend meetings, conferences or other gatherings if it is deemed to be in SU's interests.

3.3.6.b Leave may also be granted for longer periods or for certain activities that do not qualify for leave of absence, provided that the number of days by which the leave period is exceeded be debited against the employee's annual or accumulated leave.

3.3.6.c To move house, 1 working day is granted per occasion.

3.3.6.d To attend court proceedings at which the SU employee concerned has been subpoenaed to appear as witness, the actual number of days that the person is needed in court will be granted (a copy of the subpoena must be produced as proof).

### 3.3.7 Continuation of work elsewhere

In exceptional cases SU may grant employees leave to perform their duties elsewhere.

### 3.3.8 Unpaid leave

3.3.8.a In special cases, and on the conditions set by the University, SU may grant employees unpaid leave during which period they will receive 25% of the *pensionable amount* of the COE.

3.3.8.b Employees earn no annual leave during a period of unpaid leave.

3.3.8.c Should employees who are on unpaid leave qualify for a research opportunity during that period, the period that they can claim for research purposes will be reduced accordingly.

3.3.8.d Employees must use up all their annual leave before they can qualify for unpaid leave. Staff who takes advantage of this benefit must remain in SU's employ afterwards for a quarter of the relevant leave period.

### 3.3.9 Presence at the workplace

3.3.9.a Employees must be present on weekdays on University premises and at the workplace assigned to them, except if they are on leave or absent for purposes of a study or research opportunity.

3.3.9.b If employees have to perform their duties at some location other than their normal workplace, they must make adequate arrangements with their environmental head or dean (or his or her delegate) regarding their whereabouts.

3.3.9.c Environment heads or deans may grant employees permission to attend officially recognised meetings or gatherings in the immediate vicinity of Stellenbosch, provided that: • the activity concerned be work related; and



- the head concerned know where such employees are to be found.

### 3.3.10 Sick leave

3.3.10.a Employees who can submit (a) medical certificate(s) that SU finds acceptable are entitled to a maximum of eight months' sick leave (taken either continuously or as separate periods of eight months in total) during every successive period of three years of employment – at full pay for the first four months, thereafter at half the *pensionable amount* of the relevant employee's *COE*.

3.3.10.b Sick leave cannot be accumulated.

3.3.10.c Sick leave is calculated according to calendar days, not working days. Sick leave that runs from a Friday until the following Monday thus amounts to four days of leave.

3.3.10.d Applications for sick leave for more than two calendar days must be accompanied by an acceptable medical certificate that states the nature of the illness clearly.

### 3.4 Exemption from tuition fees

Employees are exempted from tuition fees, subject to certain conditions as stipulated in SU's Rules regarding Exemption from Tuition Fees for Studies at SU, which is available at:

[Exemption from Tuition Fees](#)

## 4. Definitions

Unless the context indicates otherwise, the following terms have the meanings as defined below:

### 4.1 'Dependant' (for the purposes of the *medical scheme*)

4.1.1 The member's *spouse*, who is not a member of another *medical scheme*

4.1.2 The member's unmarried *child*, who is not a member or a *dependant* under another *medical scheme*, not self-supporting and younger than 21 years

4.1.3 The member's *spouse*, who lives with the member and whom the *medical scheme* has recognised upon request as a *spouse*, subject to the conditions that the *scheme* may set

4.1.4 The member's unmarried *child* who is not self-supporting, who is older than 21 years and a full-time student at an educational institution approved by the *medical scheme*, and whom the *scheme* has recognised upon request as an adult *dependant*

4.1.5 The member's unmarried *child* who is not self-supporting, who is older than 21 years and whom the *medical scheme* has recognised upon request as an adult *dependant* by reason of a mental or physical



disability or a similar cause, subject to the conditions that the *scheme* may set

4.2 'Retirement benefit'

The accumulated credit as defined in the fund's Rules

4.3 'Spouse'

4.3.1 A person who is recognised as legally married

4.3.2 A person who has been living with someone else for more than six months, who plans to continue cohabiting like that permanently and who may be accepted reasonably (depending on the facts in every specific instance) as a partner in a permanent relationship of cohabitation

4.4 'Child' (for purposes of compassionate leave and exemption of tuition fees)

The member's *child*, *stepchild* or legally adopted *child*, as well as the *child* of a member's common-law *spouse*, which *child* is younger than 18 years (for purposes of compassionate leave) or 21 years (for purposes of exemption from tuition fees)

4.5 'Dependent child' (for purposes of the retirement fund)

The member's *child*, *stepchild* or legally adopted *child*, provided that such *child* is unmarried, younger than 18 years and dependent on the member at the time of the member's death; this includes a *child* who, in the trustees' opinion, would have been dependent on the member had the member not died

The trustees may amend the age restriction of 18 years as follows in the following circumstances:

4.5.1 raise the age to 24 years if the *child* studies full-time; or

4.5.2 extend the *child's* status as a *dependant* indefinitely if he or she is fully dependent on the member for medical reasons

4.6 'Cost of Employment'; 'COE'

The total *cost of employment* to the employer, including all cash remuneration, benefits and contributions to relief funds; leave and compulsory statutory contributions by the employer are not included in the *COE*

4.7 'Medical scheme'

The *scheme(s)* approved by the SU Council

4.8 'Pensionable amount'

Calculated at 75% of the total annual *COE*, unless agreed otherwise with specific employees

## 5. Supporting documents



<b>Item no.</b>	<b>Name of document</b>	<b>Status</b> <i>(e.g. identified, in process or approved)</i>
	None	

## 6. Related documents

<b>Item no.</b>	<b>Name of document</b>	<b>Status</b> <i>(e.g. identified, in process or approved)</i>
DV0403	Benefits Applicable to Pensioners	Approved
CS00051	Conditions of Employment for Research and Support Services Staff	Approved
CS00053	Conditions of Employment for Lecturing Staff	Approved

**Signature:**.....

**Date:**.....

DV0406-Benefits (January 2018)

