

Mandate required

Incentive Policy (IP)

Members will recall that the employer insisted on separating the Performance Management and Development (PMD) policy from the incentive part even though labour would have preferred one comprehensive policy as in the past. In order not to prejudice members by delaying the finalising of the PMD policy, labour accepted this, provided that the employer introduces the IP as soon as possible.

The employer tabled the first draft policy in November 2018. It was circulated to members for inputs. None was received. The policy was workshopped in February 2019 and inputs presented but the first final draft was only received back on 25 June 2019. Some follow-up inputs were presented early in July 2019, but the final version (*attached*) was only received late in 2019.

The IPF deals with pay progression, grade progression and performance bonuses/rewards. As such it must still be read in conjunction with the PMD, which regulates the process up to the point where a decision on incentives will then be taken. In its engagement with the employer the PSA focused mainly on ensuring that the policy was aligned with the revised Incentive Policy Framework (2017) from the Department of Public Service and Administration. The following are highlighted for members' convenience:

- Termination of the awarding of multiple notches in the form of pay progression. (Par. 5.1.1).
- Executive Authorities are no longer allowed to exceed the cap on the expenditure permissible for the awarding of performance bonuses. The IP confirms DCoG's commitment not to exceed the prescribed limits prescribed by the Minister of Public Service and Administration (MPSA) (Par. 5.1.5 and 5.3.1).
- Amending the effective date of grade progression from 1 April of a year to the 1st day of the month, following the month in which the employee qualifies, e.g. if an employee meets the requirements on 16 November 2017, grade progression is effective from 1 December 2017 (par. 5.2.2).
- Departments retained the right to sub-categorise the overall rating scale of 4 (highly effective) to distinguish between above average performance and excellent performance. The maximum bonuses may however, not be more than 18% of a salary notch and 14% of a Total Cost-to-Employer package. DCoG opted for the two categories. (Tables 1 and 2 under par. 5.3 refer).

The only aspect that parties could not find each other on was with regard to the PSA's request that in the event that the percentage of the departmental remuneration budget determined by the MPSA

proves to be insufficient for awarding of bonuses, the Department will scale down the maximum percentages following consultation with organised labour in the DBC. (Par. 5.3.2).

Members are requested to provide a mandate for the adoption of the IP on the attached mandate form and submit it to Ms J van der Merwe at jenny.vdmerwe@psa.co.za by no later than **24 February 2020.**

GENERAL MANAGER