National Sea Rescue Institute of South Africa “NPC”

Registration No 1967/013618/08

“the Institute”

Remuneration Policy

Approved: 2015

Reviewed: July 2018

1. Preface

NSRI Remuneration Policy observes the principles of internal equity, external equity and affordability. Appropriate systems and procedures are implemented to ensure adherence to these principles.

1.1 External Equity

External equity is observed in an effort to attract and retain employees with skills required to effectively manage the operations and growth of the institute.

Instruments utilised include:

- Salary Surveys (NPO Salary Survey)
- Job Evaluation

1.2 Internal Equity

Internal equity is observed to ensure that employees are appropriately compensated according to their contribution, are motivated and that a level of equity and consistency is maintained across a group.

Systems and procedures implemented ensure the following:

- Employees performing the same function at the same quality standard are paid the same.
- Standardised work profiles and Competency models set the standard of performance.
- All positions are graded according to a job grading system (Paterson) that provides for internal and external comparisons.
- Enough flexibility is allowed to pay for identified scarce skills at a premium above the internal norm.
- All new appointments are remunerated on the first notch of the grade.
- When benchmarking against the external market, the average internal salary per grade, is compared to the market survey's 50^{th} percentile.
- Salary spread in any job grade is limited to 40%.

1.3 Affordability

The focus of the affordability principle is to ensure sustainability of the salary bill over the medium to long term.

The financial performance of the institute, the information provided by annual salary market surveys and economic indicators (CPI) provide input to decisions made regarding salary increases.

2. Advances

2.1 An advance can be granted when a written application (with reasons) is submitted by the employee. The respective Executive Director may approve the advance on the written application.

2.2 Advances relate to Stay and Travel expenses only and if an advance is requested for further items the authorization of the CEO must be sought.

3. Annual Cost of Living (inflationary) Increase

3.1 The Institute's official date of increase is 1 March of each year.

3.2 Employees who terminate their employment in March do not qualify for an increase, irrespective of the termination reason, except in the case of retirement.

3.3 The annual increase will be benchmarked on the Consumer Price Index subject to affordability.

3. Human Resource Audit

3.1 The audit of Human Resource Process, expenditure and files may be a routine component of the annual audit of the institute.

3.2 Personnel files must be kept for each employee and records for each employee kept for at least five (5) years.

3.3 Audits may be;

3.3.1 Legislative/Regulatory (checking that we comply with relevant Laws and Regulations in terms of Personnel Management.)

3.3.2 Compliance (checking compliance with NSRI Policy)

4. Bank Detail

4.1 Employee Banking Details must be verified by the Executive Director Finance by obtaining account detail (Name, ID Number, Branch Code and Number) verification from the employees Bank in writing.

5. Bonus: Annual

5.1 A 13th cheque is paid to all employees in December on a Pro Rata basis.

5.2 Where an employee resigns in the bonus month and the last day of work is not the last scheduled working day for the employee, they will not qualify for the bonus.

5.3 In the case of death, retrenchment, retirement and early retirement (within 3 years of normal retirement age), a pro-rata bonus will be paid.

6. Bonus: Executive Director Performance Incentive

6.1 An Incentive Bonus may be paid to all participating executive directors.

6.2 The NSRI Governance Board will decide if a Bonus will be paid after evaluating the performance.

6.3 The Bonus will be calculated over the period 1 January to 31 December.

6.4 The Bonus will be calculated on Cost to Employer of the employee.

8.5 If a Bonus is granted, the full value of the Bonus will be taxed.

8.6 Employees that are not in NSRI employment for the full period under review will not receive a bonus.
8.7 The Human Resources Committee will approve the Executive Bonus Scheme which must be tabled at a full Governance Board Meeting for noting.
8.8 The Executive may elect to have a part of the bonus paid into the pension fund at the legislated limit. These contributions are not taxed.

7. Death

7.1 On the event of the death of an employee the following is applicable:

- 7.1.1 Irrespective of when in the month the employee dies, a full month's salary will be paid including Medical aid, Pension, Pro Rata bonus, as well as all leave accumulated.
- 7.1.2 Termination date is the date of death.
- 7.1.3 A late estate account must be registered at the Magistrates Court by the next of kin, which requires the following;
  - 7.1.3.1 Death certificate (obtained at the Department of Home Affairs)
  - 7.1.3.2 Affidavit in the instance where they cohabit
  - 7.1.3.3 Marriage certificate
  - 7.1.3.4 ID
- 7.1.4 The last salary must be paid into the late state account opened by the next of kin.

8. Employment of Foreign Candidates (Non-RSA Citizens):

8.1 Personnel with Valid work permit.
- 8.1.1 Must specify period and name of locality.
- 8.1.2 No UIF Deduction to be made.
- 8.1.3 No Benefits Retirement Fund, Medical Aid etc.

8.2 Valid Permanent Residence Permit with bar coded ID stating NON-SA Citizen
- 8.2.1 Can claim UIF benefits.
- 8.2.2 Can belong to Medical Aid, Retirement Fund etc. benefits

8.3 No foreign candidates may be appointed without a valid work permit.
8.4 The work permit must be specific to the position the individual is appointed for in the NSRI.
8.5 Foreign candidates must be appointed on a fixed term contract not longer than the period that their work permit is valid for.
8.6 Foreign candidates do not qualify for any fringe benefits.

9. Garnishee Order (Emoluments Attachment Order)

9.1 Deductions in terms of an EAO must be made at the end of the month or the following month if the order was not received in time.
9.2 NSRI will only deduct garnishee orders that comply with the necessary judicial oversight and are Constitutionally issued.
9.3 The garnishor must furnish the employee, at reasonable request, with a statement containing particulars of the payment received up to the date concerned and the balance owing, free of charge.
9.4 Upon termination the normal monthly instalment must be deducted as far as possible from the final salary after all NSRI debt has been deducted.

9.5 Where there are insufficient funds to cover the total outstanding debt, then:

- The garnishor must be notified in writing of the termination and the name and address of the new employer if available.

- The garnishor may send a certified copy of the original EAO to be served on the new employer, with an affirmation specifying the payments received by him since the order was issued, costs incurred and the balance outstanding. The same principles will be applied where the employee becomes self-employed.

9.6 Commission of up to 5% may be deducted from the amount payable to the garnishor by the NSRI.

9.7 A garnishee deduction may only be ceased once the attorney advises in writing that the balance has been paid in full.

9.8 It is the responsibility of the Employer to ensure that an updated balance is obtained from the garnishor before the garnishee is paid up on the payroll system. Therefore, it is advisable to correspond with the garnishor at least 2 months before the last deduction.

10. Job Evaluation Policy

10.1 Purpose of job evaluation in the NSRI

The purpose of the job evaluation process is to provide a fair comparison between jobs that can be used to determine the relative size or weight of jobs within the NSRI. It is aimed at providing an objective basis for determining and managing internal pay relativity between jobs. It also provides the framework within which decisions on salaries and benefits could be made.

10.2 Important job evaluation principles

10.2.1 Job evaluation measures the job contents and its demands, and not the personal characteristics or performance of the jobholder. It should therefore not be confused with performance evaluation. (An important distinction is that job evaluation determines the relative value of a job to the organisation while performance evaluation determines the relative value of an employee to the organisation.)

10.2.2 Job evaluation does not measure the amount of work allocated to a post, but its relative demands, complexity and responsibility, and the competencies required to carry out the job effectively.

10.2.3 The job must be considered as it currently exists. ("snapshot-in-time" principle)

10.2.4 No results should be announced before the auditing and validation process has been completed.

10.3 Initiation of the job evaluation process

10.3.1 The principle of benchmarking applies. Not all positions have to be graded.

Benchmark positions are identified and graded according to priority. It is more time and cost effective to analyse a representative sample of relevant positions instead of each individual position.

10.3.2 Executives may from time-to-time request that specific jobs be evaluated.

10.3.3 The contents of posts can change over time. These changes in job content could influence the weight, and consequently, the grading of a position. In cases where a significant period elapsed since the previous evaluation, the respective executive may request a re-evaluation. Positions should not be graded within one year after the last evaluation.

10.4 Grading

10.4.1 Process leading to job evaluation

The respective executive will forward a job evaluation request to the CEO for approval. Benchmarking will be done externally.

10.4.2 Validation of process

The report must be reviewed by the respective executive and CEO for validation.

10.5 Implementation of the outcome of the job evaluation process

The implementation of Job Evaluation results will be at the discretion of the HR Committee through the CEO who will inform employees and implement the adjusted grades once there is confirmation that the employee occupying the post in question satisfies the inherent requirements of the job.

No re-grading will affect any jobholder adversely in terms of career development nor will any grading cause a reduction in current salary.

10.6 Feedback to job incumbent

10.6.1 Any employee who is not satisfied with the results of the evaluation of his/her job should be able to appeal in writing motivating why he/she is not satisfied with the result.

10.7 Appeals

Appeals must be directed through the CEO to the HR Committee. The HR Committee may;

- Validate and confirm the result
- Request re-evaluation

Results of a re-evaluation will be final.

11. Pension Fund

All full-time employees of NSRI are eligible to join the fund.

11.1 Contributions

The employer contributes 8% and the employee 7% of the pensionable salary to the fund.

A total contribution of up to a total of 27.5% is possible and the employee may voluntarily elect to make greater contributions to their pension fund than 7%.

11.2 Normal Retirement

The employee will retire in the month they turn 63. A tax directive must be obtained from the Executive Director Finance and the rand value of their pro-rata bonus, vehicle and leave payment if applicable.

The executives may elect to keep their respective vehicles on retirement and the ownership will be transferred to them.

12. Tax Directive

A tax directive will normally be requested when a gratuity is paid to an employee on termination of service in the following circumstances:

- CCMA Arbitration Award
- Retirement
- Early Retirement
- Death
- Gratuity
- Termination of service as a result of retrenchment

13. Unemployment Insurance Fund

All employees participate in UIF.

14. Medical Aid Fund

It is compulsory for all employees of the NSRI to participate in a Medical Aid Scheme except for;

- Employees in Paterson Grade A and B.
- Part-time employees
- Employees who are already on the medical aid scheme of a spouse/principal

The NSRI will contribute 50% of a Medical Aid Premium of employees.

The NSRI will contribute 100% of Executive Medical Aid Premiums after that executive has been employed continuously for 60 months.

Executives may subscribe to the Plan of their choice.

Employees may subscribe to the plan of their choice except the Executive Plan.

On retirement, the NSRI will continue to contribute to the Medical Aid Scheme until the death of the employee.

The NSRI will contribute for the principal member, a spouse and dependents if dependents are less than 21 years of age.

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