



MPUMALANGA REGIONAL
TRAINING
TRUST

Empowerment Through Training

PAYROLL POLICY AND PROCEDURE

POLICY NO: HRM 03

CONTENTS	Page
1. Definition of Concepts.....	2
2. Abbreviations.....	3
3. Introduction.....	4
4. Purpose Scope of application.....	4
5. Payroll procedure.....	4
6.1. Capturing of employees information.....	4
6.1.1 Procedure.....	4
6.2. Payment of salaries.....	4
7. Payment of allowances.....	5
7.1. Subsistence allowance.....	5
7.2. Stop Orders.....	5
7.3. Advance payment.....	5
7.4. Payment of acting allowance.....	6
7.5. Payment of overtime.....	6
8. Payroll records.....	6
9. Amendments.....	6
10. Policy review.....	6
11. Policy approval.....	7

1. DEFINITION OF CONCEPT

“acting” means someone who is filling in temporarily for another or who takes on a job for short period.

“allowance” means an amount paid to a qualifying employee for a specific purpose and which will lapse, when the employee no longer meets the conditions for such payment.

“collective agreement” means a collective agreement concluded in the bargaining council as contemplated in the Labour Relations Act 1995 (Act No 66 of 1995).

“employee” means any person appointed on a permanent or fixed term basis by MRTT, **excluding an independent contractor/Consultants**, and who receives, or is entitled to receive, any remuneration.

“fixed term contract” employees refer to employees appointed to alleviate temporary workloads for a clearly defined fixed period or task

“month” means a calendar month

“Total Guaranteed Package” means total of fixed and regular income / benefit items and employer contributions to Employee Benefit Funds (Retirement, Medical and Group Life) –expressed in annual terms

“overtime” means the time that an employee works during a day or a week in excess of ordinary hours of work.

2. ABBREVIATIONS

CEO	Chief Executive Officer
CFO	Chief Financial Office
GM	General Manager
HRM	Human Resource Management
MRTT	Mpumalanga Regional Training Trust
SMCO	Senior Management Committee
S & T	Subsistence and Travelling
PO	Payroll Officer

3. INTRODUCTION

A comprehensive payroll policy is critical in maintaining efficiency and effective central employment management system that supports payroll and time management reports business functions across MRTT. The Human Resources staff should use this policy as a reference manual for guidance, procedures, and related information.

4. PURPOSE

The purpose of the Payroll Policy is to ensure that all MRTT employees are paid correctly and timely. All payrolls must be done on a VIP computerized payroll system. MRTT Payroll is currently done by VIP Payroll System. VIP Payroll System enables MRTT to efficiently process employee information, time worked and leave taken for payroll purposes. VIP Payroll System also ensures accurate record keeping and compliance with statutory requirements and existing Collective Agreements.

5. SCOPE OF APPLICATION

This policy applies to all employees of MRTT, and every employee shall comply with the procedure, in respect of fellow employees, fixed-term employees and casuals of MRTT.

6. PAYROLL PROCEDURE

6.1. CAPTURING EMPLOYEE INFORMATION

To ensure that the correct employees' information is captured on the payroll system in line with MRTT policies, VIP system and statutory requirements. No employee will receive payment if his/her personal details are not captured on VIP in terms of the MRTT policies and statutory requirements.

6.1.1. PROCEDURE

The employee completes a standard form which will be used to capture the information into the payroll system. A new employee will not be put on payroll without the signed appointment letter or contract of employment by the Chief Executive Officer or his delegate. All the employee personal information will be captured in line with the requirements of the payroll electronic system, MRTT recruitment and selection policy and applicable legislations.

7. PAYMENT OF SALARIES

MRTT remunerates all its employees based on a Total Guaranteed Package. It is the policy of the MRTT to ensure that employees are provided with information on salaries and benefits offered by the organization and that they are adequately remunerated for the work they undertake for the organization.

The Total remuneration or Guaranteed Package is the total annual guaranteed cost to a company of employing an incumbent. The cost includes the total annual salary, plus non-cash fringe benefits. Typically these include contribution to company pension or provident fund; group life and accident insurance; travel allowance, etc.

All MRTT employees will be paid their salaries through VIP Payroll System. Employee salaries will be paid on the 25th day of each month. In cases where the date falls on a weekend or public holiday, pay day will be on the working day closest to the 25th.

The Payroll Officer prepares the salary reports which are checked by the Human Resources Manager for the correctness and accuracy. The Payroll report is then submitted to the Chief Financial Officer for verification.

The Payroll Officer imports the net salaries to the Business Online for payment after being checked by the Human Resources Manager and verified by the CFO. The salary report is submitted to the Chief Executive Officer for approval. The CFO will release the salaries in line with the payroll policy.

7. PAYMENT OF ALLOWANCES

7.1. SUBSISTENCE ALLOWANCE

No subsistence allowance will be captured on the payroll system without approval by the line manager in line with the Subsistence Allowance policy.

A subsistence allowance claim form must be completed and signed by both the employee and the Sub-Programme Manager and submitted to Human Resources Sub-Programme for processing. Subsistence Allowance rates will be payable in line with the Receiver of Revenue approved subsistence table rates as amended from time to time by the Chief Finance Officer.

7.2. STOP ORDERS

MRTT shall process third party payments on behalf of the employee. MRTT shall deduct and pay employee benefits and payroll taxes in compliance with relevant legislations and MRTT Policies and Procedures.

MRTT will only process individual stop orders on employee request. Stop order will be processed at a monthly fee which will be determined by MRTT from time to time. The employee will be charged such fee monthly by MRTT.

The employee must sign a stop order form authorizing the employer to deduct a specific sum of money and make payment to the respective third party specified by the employees.

7.3. ADVANCE PAYMENT

MRTT will pay an employee an advance up to one (1) month basic salary in exceptional circumstances subject to the recommendation by the General Manager: Corporate Services and Chief Financial Officer. The CEO shall approve the advance payment based on the merits of the case. All monies advanced will be deducted from the employee salary in full the following month.

7.4. PAYMENT OF ACTING ALLOWANCE

No acting allowance will be captured on the payroll system without approval by the line manager. The acting allowance form must be completed and signed by the Sub-Programme Manager and the General Manager, and submitted to Human Resources Sub-Programme for processing payment.

7.5. PAYMENT OF OVERTIME

No overtime will be captured on the payroll system without approval by the line manager in terms of the policy. Overtime must be signed by the employee and approved by the Line Manager, and submitted to Human Resources division for processing payment.

8. PAYROLL RECORDS

All payroll records shall be kept by the Human Resources Sub-Programme in compliance with MRTT records policy and National Archives act.

9. AMENDMENTS

No amendment shall be made to or any deviation undertaken from the MRTT Payroll Policy and procedure without approval of the Board

In the event of a need or intent to deviate from the approved policy, a formal disposition document must be prepared stating the nature and the reasons for the proposed departure and be submitted to the CEO, for recommendation and submission to the board for approval.

10. POLICY REVIEW

PAYROLL POLICY AND PROCEDURE	
DATE REVIEWED	29 MARCH 2021
NEXT DATE OF REVIEW	30 MARCH 2023

11. POLICY APPROVAL

POLICY APPROVED BY:		SIGNATURE
ACTING CHAIRPERSON OF THE BOARD: MS TE MAWELELE	DATE: 29-03-2021	