



## **Fact sheet on working conditions at the University of Cape Town for payclasses 2 – 5**

22 May 2017

The University of Cape Town seeks to be an employer of choice for staff members in all paygrades and departments. This includes providing basic income and other benefits that exceed the minimum wage mandated by government.

### **Insourcing has made UCT more inclusive**

In 2016 UCT undertook to insource all previously outsourced services. We recognised that the insourced employees had been an integral part of UCT for some time already, through the long-term services they provided to the campus for the grounds and gardens, residences, transporting staff and students, and protecting the campus community, facilities and heritage.

UCT's insourcing process was guided by Section 197 of the Labour Relations Act of 1995, which deals with the transfer of employees. In essence, this means that the insourced staff were employed by UCT on no less favourable terms and conditions of service than before. We undertook an extended consultative approach with the two unions that were active among outsourced workers at the time: NEHAWU and the South African Transport and Allied Workers' Union (SATAWU). This consultation process addressed the principles of insourcing, which included defining jobs and job categories, employee compensation and benefits.

Since the insourcing process, additional labour organisations have become involved with UCT staff members. The current issues involving catering staff at UCT have been raised by the South African Liberated Public Sector Workers Union (Salipswu). Of the 19 issues raised, nine have been resolved and nine await further input from Salipswu to the UCT executive. One issue has been referred to the Department of Labour for advice.

### **UCT is committed to finding solutions to workers' concerns**

We have resolved many of the issues already in the current dispute with catering workers, following numerous meetings over several months. We will continue to engage in an attempt to address even more matters that may be of concern, but these discussions must be held within legal and institutional processes.

The executive has expressed its concern about the false narrative being spread that workers are not paid, that conditions are deplorable, that there has been no interest from the executive to listen to their concerns. The employees have the right to go to the Council for Conciliation, Mediation and Arbitration if they feel there is not enough progress but unprotected strikes and disruption of business will serve no one and will have only negative consequences.

### **Job grading and benefits for insourced staff members**

As part of the principles of insourcing, UCT considered the following:

- Job evaluation, job grading and pay scales for the different job categories, and
- Optimising employment conditions in accordance with UCT conditions.

The UCT Retirement Fund liaised with the pension and provident funds of the previous outsourced companies to determine the fund rules and options for staff to either withdraw their pension funds or transfer such funds to the UCT Retirement Fund.

The transition to insourcing was expected to have some teething problems, due to details of operations that were not fully understood or anticipated, new responsibilities both for staff and for logistics, supply chains and procurement. Insourcing also provided a massive increase in the load and responsibilities of the Human Resources (HR) Department. HR has asked staff to help identify these problems and work together to find solutions.

### Remuneration of staff members

- UCT’s current remuneration policy for professional, administrative and support staff (PASS) staff in Payclasses 1-12 is to track the 60<sup>th</sup> percentile of the National All Jobs Market.
- This ensures that staff costs are within the budget set by Council, and are sustainable over time.
- It also ensures internal equity and fairness in and between the various pay categories.
- Incentives are built into the cost of employment structure to encourage and reward excellent performance, on objectively defined criteria.
- Staff members who have been insourced have been placed at the standard package for their payclass and will form part of the Development Dialogue performance management system at UCT.

Payclass	Minimum	2017 Standard Package
Payclass 2	107 893	126 934
Payclass3	129 400	152 234
Payclass 4	146 557	172 420
Payclass 5	157 713	185 543

Overtime and shift allowances are paid in accordance with relevant legislation.

The table below reflects the package value of 5 existing staff that have been insourced from C3. We obtained payslips from their previous employer and have compared this to their current package at UCT.

UCT Payclass	UCT Job Title	Cash Salary	Bonus 13th cheque	Provident Fund	C3 Total Cost	UCT Cost of Employment	Package Difference p.a	Percentage increase
6	Food Services Controller	161 388	13 449	11 292	186 129	213 374	27 245	15%
5	Supervisor	90 303	7 525	6 312	104 140	185 543	81 403	78%
5	Supervisor	81 974	6 831	5 736	94 541	185 543	91 002	96%
4	Cook	76 896	6 408	5 376	88 680	172 420	83 740	94%
2	Food Services Assistant	69 012	5 751	4 824	79 587	126 934	47 347	59%

### Other benefits

In addition to the increase in pay, the following are the benefit changes when moving from Basic Conditions of Employment (which most companies offered) to Permanent staff at UCT:

Conditions	Basic Conditions of Employment	Permanent PASS staff at UCT
Remuneration Policy	Various – some subject to minimum in sectoral agreements	Benchmarked against 60 <sup>th</sup> percentile of National All Jobs Market The UCT package benchmark

		includes comparison on total package cost of <b>cash salary, bonus, medical aid subsidy, housing subsidy and pension or provident fund</b>
<b>Annual leave: PASS staff</b>	1,25 days per month worked	26 working days per annum
<b>Sick leave</b>	36 in three year cycle or 1 day per month worked or 1 hour for every 26 hours worked.	2.5 days per month worked as part of a 6 year cycle where 30 days full pay per annum for first 3 years of the 6 year cycle. 30 calendar days half pay per annum for years 4 to 6 of the 6 year cycle. In total, <b>90 calendar days full pay and 90 calendar days half pay over 6 years.</b>
<b>Family responsibility leave</b>	BCEA 3 days	5 working days paternity leave, 5 working days family responsibility leave. See: <a href="#">Family responsibility leave policy</a>
<b>Staff Education Bursary</b>	N/A	Up to R7500 per annum
<b>Maternity leave</b>	BCEA (4 months <u>unpaid</u> , may apply for UIF)	4 months full pay and not recoverable
<b>Study leave</b>	Not eligible	For preparation: 1 day per exam (max 6); To write exam: 1 day per exam (max 6).
<b>Special leave (all categories)</b>	Not eligible	As per current policy <a href="#">Special leave (PASS)</a>
<b>Pension/Provident Funds</b>	Various deductions with limited risk cover benefits	Compulsory membership at 22.5% of deemed pensionable amount including 7 times life cover and income continuation benefit
<b>Medical Aid</b>	Not eligible	Compulsory membership from Payclass 6
<b>Staff tuition rate</b>	Yes, in accordance with <a href="#">staff tuition fee rate policy</a>	Yes, in accordance with <a href="#">staff tuition fee rate policy</a>
<b>Medical aid post retirement subsidy</b>	Not applicable	As per policy
<b>Long service awards</b>	Only G4S had long service awards previously	<p>Long service awards to members of the professional administrative and support staff take the form of a cheque or a gift to the value of:</p> <ol style="list-style-type: none"> <li>1. R1000 for those who have completed 10 years of service (note: This award is taxable and may not be taken as a gift. The certificate will be sent out</li> </ol>

		<p>via the post and will not be presented at a ceremony)</p> <ol style="list-style-type: none"><li>2. R3000 for those who have completed 15 years of service</li><li>3. R6000 for those who have completed 25 years of service</li><li>4. R9000 for those who have completed 35 years of service</li><li>5. R12000 for those who have completed 45 years of service</li></ol>
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