



**PROCESS DOCUMENT FOR CENTRALLY FUNDED REMUNERATION ITEMS
CENTRAL REMUNERATION FUND**

Process document	
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Purpose	Document explaining the process for managing the Central Remuneration Fund
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Owner of process	
Owner of process	Chief Operating Officer
Protector of process	Accountant: Financial Planning & Budgeting
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Accepted by	Rectorate

1. PURPOSE OF PROCESS DOCUMENT

The purpose of this document is to set out the procedure for replacement remuneration, retrenchment cost and funding from the Central Remuneration Fund.

2. BACKGROUND

In November 2020, Stellenbosch University (SU) Council approved the request that savings on the remuneration budget for all budget cost centres be moved to a central fund.

Only items listed in the process document will be eligible for funding from the Central Remuneration Fund.

3. PROVISIONS OF PROCEDURE

3.1. MANAGEMENT OF FUND

3.1.1 FUND BALANCE

The available balance of the Central Remuneration Fund will be supplemented each year with the savings on the remuneration budget of all budget cost centres as calculated at each financial year end.

3.1.2 COST CENTRE

A central cost centre will be created from where the fund will be managed. This cost centre will be created in the Responsibility Centre of the Chief Operating Officer.

3.1.3 RECTOR'S STRATEGIC PERSONNEL FUND

A percentage of the Central Remuneration Fund will go towards the Rector's Strategic Personnel Fund. The amount to be transferred each year will be calculated based on the available balance of the fund at year end.

3.1.4 REPORTING

An annual report will be submitted to the Finance Committee and the Rectorate.

3.1.5 APPROVALS

All applications will be reviewed and approved by the Chief Director: Human Resources.

3.1.6 TRANSFERS OF FUNDS

Transfer of funds will only take place after final payment has been made by the relevant department.

3.2. ITEMS FUNDED FROM CENTRAL REMUNERATION FUND

The following items may be eligible for funding from the Central Remuneration Fund:

3.2.1 **Maternity Leave, Adoption Leave, Commissioning Leave and Parental Leave**

Definitions for maternity leave, adoption leave, commissioning leave and parental leave may be found in Stellenbosch University's procedure document regarding leave regulations for permanent and fixed-term staff, and can be accessed on the Human Resources website.

Criteria for approval:

- **Who may apply:** Replacement remuneration may be claimed in the case where a staff member funded from the main budget is on maternity leave/adoption leave/commissioning leave/parental leave.
- **Duration of funding:** Replacement remuneration can be claimed for a maximum of four (4) months or as stated in the Benefit Policy. Should replacement remuneration be required for longer than four (4) months, the relevant department/responsibility centre will have to cover the costs.
- **Amount for replacement remuneration:** Actual amount up to a maximum of 90% of base remuneration level (BRL).
- **Application process:** Complete application form in Addendum A.
- **Approval:** If the application is successful, funds will be transferred to the relevant cost centre.

3.2.2 **Replacement Remuneration for Long-Term Sick Leave and Retrenchment Costs due to Medical Incapacity where Reappointment is not possible**

Long-term sick leave is defined as leave taken for longer than 30 calendar days. Long-term sick leave must be approved by Human Resources and the application must be accompanied by a valid medical certificate.

Replacement remuneration for long-term sick leave will initially only be paid for a maximum of six (6) months, and thereafter for a maximum of another six (6) months, if supported by an application for medical disability.

If a staff member had been placed on medical incapacity leave and is cleared to return to work, but cannot be placed in a current vacant position within the organisation, a retrenchment package may be offered. The retrenchment costs may be funded from the Central Remuneration Fund in these instances. The replacement costs associated with employees on medical disability do not qualify for application to this fund.

Criteria for approval:

- **Who may apply:** This is only applicable to staff funded from the main budget.
- **Duration of funding:** Replacement remuneration for staff placed on long-term sick leave will initially only be paid for a maximum of six (6) months, and thereafter for a maximum of another six (6) months, if supported by an application for medical disability.

For retrenchment of staff unable to be placed in a current vacant position within the organisation, the full amount for the retrenchment package up to a maximum of two weeks per completed year may be claimed as calculated by Human Resources. Any amount over the maximum amount as confirmed by Human Resources should be covered by the relevant department.

- **Amount for replacement remuneration:** Actual amount up to a maximum of 90% of BRL for the post level of the lecturer being replaced.
- **Application process:** Complete application form in Addendum A.
- **Approval:** If the application is successful, funds will be transferred to the cost centre of the relevant department/responsibility centre.

3.2.3 Replacement Remuneration or Temporary Appointments for Staff on Research Opportunity and One-off Study Leave to Complete Doctoral Degree

Should a staff member qualify for a research opportunity as set out in the procedure document regarding leave regulations for permanent staff and fixed-term staff, any replacement remuneration or temporary appointment to be paid, may be claimed from the Central Remuneration Fund.

This also applies to academic staff who take the one-off study leave to complete their doctoral degree.

Criteria for approval:

- **Who may apply:** This is only applicable to staff appointed on the main budget.
- **Duration of funding:** Funding will be granted for a maximum of 12 months.
- **Amount for replacement remuneration:** Actual amount up to a maximum amount of 50% of the employees' level for replacement remuneration for a maximum of 12 months. This only includes teaching time.
- **Application process:** Complete application form in Addendum A.
- **Approval:** If the application is successful, funds will be transferred to the cost centre of the relevant department/responsibility centre.

3.2.4 General Retrenchment Costs

In cases where funding for retrenchment costs cannot be funded from the contingency reserve, these costs can be claimed from the General Remuneration Fund. This only applies to main budget appointments.

Criteria for approval:

- **Who may apply:** Retrenchment costs, where funding from the contingency reserve is not possible.
- **Duration of funding:** One-off amount to be paid.
- **Amount for replacement remuneration:** Real cost of retrenchment package as confirmed by Human Resources, up to a maximum of 2 weeks per completed year.
- **Application process:** Complete application form in Addendum A.
- **Approval:** If the application is successful, funds will be transferred to the cost centre of the relevant department/responsibility centre.