



**MEMORANDUM OF AGREEMENT ON PASS STAFF  
REMUNERATION AND CONDITIONS OF EMPLOYMENT  
AND RELATED MATTERS FOR 2018**

**between**

**UNIVERSITY OF CAPE TOWN**

**(hereinafter referred to as the Employer)**

**And**

**UNIVERSITY OF CAPE TOWN EMPLOYEES UNION (EU)**

**(hereafter referred to as the Union)**

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**1. Preamble and Scope**

This document records the agreement reached between the Employer and the Union in respect of remuneration and conditions of employment for employees in the Pay classes 7 to 12.

**2. 2018 Salary Increases**

The following differentiated increases to the 2017 pay ranges will be applied with effect from 1 January 2018:

UCT Payclass	UCT 2017 Standard Package	2017 60th percentile Nat All Jobs	Compa ratio to Sept 2017 60th percentile	2018 increase proposed	2018 Standard Package	Estimated 2018 January Compa ratio with 5.3% market move
7	298 268	327 504	91	7.5%	320 639	93
8	331 945	338 520	98	6.5%	353 522	99
9	391 060	406 716	96	7.0%	418 435	98
10	494 154	489 336	101	5.5%	521 333	101
11	606 379	595 404	102	5.5%	639 730	102
12	821 968	787 500	104	5.5%	867 177	104

The current remuneration policy for PASS staff allows for a tolerance level of 5% above and 5% below 100 of the comparatio to the 60th percentile of the National All Jobs Market.

Currently Payclasses 10, 11 and 12 are all above 100 and Payclasses 8 and 9 are below, but within the tolerance ratio. Payclass 7 remains an anomaly below the tolerance level of 5%.

The parties agree that all 2018 increases and performance award payments will only be made to staff in service at time of signing the agreement with the only exception being staff who have retired from the university who qualify for performance awards.

Appendix A details the ranges and performance awards for 2018.

**Exceeds award modification**

UCT agrees that there should be a review of the reward system, and that for any changes to be effected in the next cycle this would need to be done before commencement of the next performance cycle in 2018. i.e. by 1 June 2018.

The review will take into account the staff in lower Payclasses who may not have the opportunity to do things outside of their KPA's. This means that staff who do their jobs well should be valued and able to receive rewards for this. One option is to introduce a third category for this type of acknowledgment. There is a concern from the union on the use of the discretionary bonuses because fund holders are reluctant to use their own budget to reward staff. UCT therefore commits to considering this during the review.

The review will deal with the issue of transparency of awards. The review will commence on 1 February 2018 or as soon thereafter as possible, with a view to being completed by 30 April

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2018, or such later date agreed. The outcome of the review will be communicated before 1 June 2018.

### **3. Recognition of voluntary contributions**

UCT acknowledges and appreciates the voluntary contribution many staff make in Committees across the University such as EE Reps, Health and Safety Reps, Union representation, Trustees on the UCT Retirement Fund etc.

UCT will alert line managers to the necessity for staff to have time allocated to perform these tasks this will be added to the consultative agenda.

### **4. Parking**

UCT agrees to increase the allocation of Red Parking Bays from 75 to 100 for 2018. Future allocations will be on a first come first served basis.

Increase in parking for 2018: Red Bays will increase by R7.19 from R126.81 per month to R134 per month, Yellow Bays will increase by R4.35 per month from R79.65 to R84. This will facilitate further developments on the parking and traffic plan for UCT.

### **5. Long service awards**

UCT agrees to give staff a smaller gift, with the option to staff of selecting a gift from among available options, along with a certificate acknowledging tenure of 5 years.

UCT agrees to explore further forms of recognition for staff reaching 20 years of service and 30 years of service.

### **6. Medical Aid – that subsidy for retirees to remain on Coastal Saver**

UCT agrees to table the draft submission to Council annually in the consultative forum prior to submission to Council, and to consider and respond to any input from the consultative forum in this regard.


### **7. Bursary Scheme for dependants**

This scheme, agreed in 2017, is to be implemented in 2018. UCT agrees that once proof has been provided in the initial application, this can be used to apply for the bursary in subsequent years.

### **8. Staff Bursary**

UCT agrees to increase the Staff Education Bursary from R7 500 per annum to R8 000 per annum.

### **9. Dependants of staff to have access to UCT**

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UCT agrees to table a proposal with the admissions committee, and to arrange for union representatives to present and motivate the proposal before the committee. The proposal needs a level of detail that will enable the committee to understand fully the consequences of the proposal, including the number of applicants who may fall into the applicable category per year, and the potential impact on student profile including on transformation. This will be considered by the admissions committee once submitted. The first meeting of the committee in 2018 is 22 February. Any decision taken by the admissions committee will have to be approved by both Senate and Council.

For the current year, 2018, the parties recognise that the academic decision to either admit or deny an applicant is the prerogative of the Admissions Committee or Dean of the relevant faculty. This authority is delegated by Senate. Unsuccessful applicants currently have a right of appeal to the faculty Admissions Committee or Dean and to provide grounds for discretionary reconsideration by the faculty. Assuming that a small number of children of UCT staff may fall into the category of applicants who meet the published admission criteria but are not admitted, UCT agrees to provide direct assistance and support to motivate an appeal and to seek to persuade faculty admissions committees where applicable or Deans on grounds for reconsideration and admission taking into account individual circumstances.

A summary of the outcomes of the above process for 2018 will be provided at the consultative forum. In addition, the consultative forum will develop a process which will apply in future years.

#### **10. Tax deduction and benefits**

As part of the tax legislation that already exists, employers can grant tax-free bursaries to relatives of their employees, depending on the employees' remuneration. UCT will introduce access to this benefit with effect from the new tax year (1 March 2018) and a new post in HR will administer this benefit for staff earning below R600 000 per annum. Details of the tax benefit will be provided by PriceWaterhouse Coopers (PWC) (UCT's tax advisers).

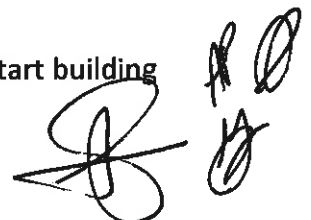
UCT agrees to invite a PWC representative to the consultative to engage on tax efficiency for all staff.

UCT will seek preferential bond rates for UCT staff from the 5 major banks, with a view to communicating the outcome and response of the banks by 28 February 2018. This will be reported at the consultative forum.

#### **11. SAP success factors**

The implementation status of the SAP Success Factors LMS system is as follows:

- Project kick-off on 14th August 2017
- Project team configuration workshops were held with Allos (implementation partner) in October 2017
- Technical Systems have been set up in consultation with ICTS
- UCT have signed off on the configuration workbooks which allows Allos to start building the system



- Workshops will take place by 28 February 2018 to check that the system has been built according to the UCT requirements and specifications
- System testing gets underway later in February following which the system is built in Production for access by all users.
- Engagement with content owners has been ongoing since kick-off
- Communication, change management and stakeholder engagement will be a key focus in June 2018 and will continue during and post implementation
- Further updates will be provided in the consultative meetings.

With regard to the application of a system of secondments and learnerships across campus, UCT will communicate to the Senior Leadership Group the 'best practice' approach for staff development by 31 March 2018.

## 12. Succession management

UCT remains open to engaging in ways to progress career development.

UCT confirms the two-week internal recruitment process which currently extends to the end of 2018.

UCT does not agree to the moratorium on new external appointments for 2018/2019.

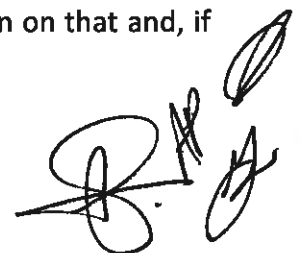
UCT will provide statistics on PASS internal appointment processes to the consultative forum with context as to reasons why internal applicants were not appointable.

## 13. Tax treatment of staff tuition rate

What UCT is doing in providing employees with a reduced staff tuition rate is a free or cheap service, which falls within paragraph 2(e) of the Seventh Schedule to the Income Tax Act. In terms of paragraph 10(1) (b) of the Seventh Schedule, the value to be placed on a free or cheap service is the cost to the employer of rendering that service. In this regard, SARS has accepted that, in principle, the cost that would apply under these circumstances is the marginal cost of one more student enrolling in a particular course. On the basis that the minimum fee that would need to be paid is 25% of the full fee and that the marginal cost of enrolling one more student would not exceed 25% of the full fee, there would therefore be no taxable fringe benefit in this regard.

UCT wrote to PWC to obtain further feedback on the 95% offered by CPUT.

The feedback from PWC was inter alia "Based on our experience, before any decision is taken to, for example, offer free tuition to staff or children of staff, from a tax perspective an exercise should first be undertaken to try to determine as accurately as possible what the marginal cost would be for an additional student to be enrolled at UCT and whether a robust methodology could be put together to make that determination, as the difference between that value and whatever the staff member pays (if anything) would be a taxable fringe benefit in the employee's hands. Secondly, consideration would also need to be given as to whether it would be appropriate to apply to SARS for a ruling confirming both the methodology as well as the value arrived at each year or whether UCT was prepared to take a position on that and, if necessary, defend any enquiry from SARS as to that position in future."



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UCT could undertake to try to determine as accurately as possible what the marginal cost would be for an additional student to be enrolled at UCT and then take that to SARS for a ruling.

UCT will establish what tax treatment is applied at UWC and Stellenbosch and feed back at the consultative.

**14. Pay-slip information**

UCT includes shift allowances, additional payments, Sunday time and overtime on the payslips and will be providing date of appointment and position held in 2018.

UCT will provide Remchannel breakdowns for Pay classes illustrating salary plus benefits including pension, housing, medical aid and 13th cheque.

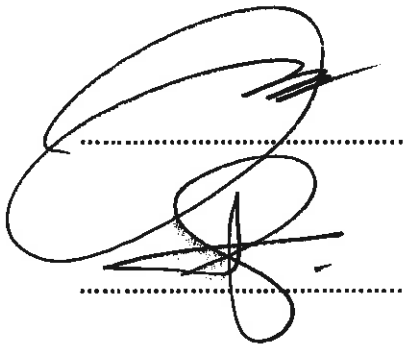
**15. Grading of all posts**

UCT has committed to a project plan for the first quarter of 2018 with a particular focus on the insourced cohort of staff.

UCT proposes that an overall review of grading be discussed at the consultative meeting in the New Year.

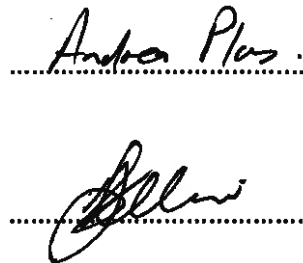
Signed at RONDEBOSCH this \_\_\_\_ day of January 2018.

**UNIVERSITY OF CAPE TOWN**



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**EMPLOYEES UNION**



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Appendix A: Detailed PC 07-12 Ranges

		7.5%	6.5%	7.0%	5.5%	5.5%	5.5%
<b>Exceeds 2</b>	<b>15% Above Std Pkg</b>	48 096	53 028	62 765	78 200	95 960	130 076
	<b>Range</b>						
<b>Exceeds 1</b>	<b>7% Above Std Pkg</b>	22 445	24 746	29 290	36 493	44 781	60 702
	<b>Range</b>						
<b>Lump sum</b>	<b>3% Above Std Pkg</b>	9 619	10 606	12 553	15 640	19 192	26 015
<b>Meeting</b>	<b>Maximum guaranteed</b>	320 639	353 522	418 435	521 333	639 730	867 177
<b>Guaranteed</b>	<b>3% Below Std Pkg</b>	311 019	342 917	405 882	505 693	620 538	841 161
<b>Not Meeting</b>	<b>Range</b>	311 018	342 916	405 881	505 692	620 537	841 160
		286 172	315 521	373 455	465 292	570 961	773 957
	<b>Range</b>	286 171	315 520	373 454	465 291	570 960	773 956
<b>Min Guaranteed</b>		272 543	300 495	355 670	443 134	543 772	737 101