Remuneration Appendix 2026

This appendix is designed to set out the components of the Cost of Employment (CoE) schedule and related benefits. Your CoE and related benefits are subject to the conditions and rules as set out on the HR website, see: www.hr.uct.ac.za.

1. Components of the CoE schedule

1.1. University of Cape Town Retirement Fund (UCTRF)

All permanent and T2 contract staff are required, as a condition of service, to become members of the employer's provident fund, the University of Cape Town Retirement Fund (UCTRF). In terms of the rules of the UCTRF, contributions to the UCTRF are payable by the employer as part of a staff member's CoE.

Staff select a percentage contribution to the UCTRF of between 12% and 40% of CoE. This amount is allocated to the UCTRF and UCTRF benefits. Staff may elect this percentage whenever their COE changes or annually effective 1 November. Staff who, on joining the UCTRF, do not make an election regarding their contribution rate will be defaulted to 18% of Cost of Employment (CoE). Please note, however, that any increase in the UCTRF contribution will not result in an increase in your guaranteed CoE but will form part of your guaranteed CoE. Full details of the UCTRF may be found at www.uctrf.co.za.

If your total retirement fund contributions (pension fund, provident fund and/or retirement annuity) exceeds the lesser of 27.5% of your total taxable earnings or R430 000 for the current year, you will be taxed on the excess.

1.2. Voluntary Bonus Tax Savings

UCT offers an optional service bonus which forms part of your CoE and which is paid annually in November. The service bonus is calculated as the Benefit Amount (BA) divided by 13 (BA = 70% of CoE). The service bonus is payable to staff on a pro-rata basis upon termination of service i.e. resignation prior to 30 November in a year.
Staff may elect to have the service bonus as an allocation from their CoE paid in November each year or on a monthly basis. A staff member may elect this option during the annual CoE review or when their CoE changes as a result of a contract change or when they receive a new CoE schedule.

Staff members also have the option to set aside the approximate tax on the bonus amount monthly (Voluntary Bonus Tax Savings) which is then paid back in November to offset the tax payable of the bonus. Staff may elect to do so via the annual CoE review or an email to the HR Administrator for their Department. Contact details can be found at the following link:
http://www.hr.uct.ac.za/hr/contacts#admin

Contributions are deducted from January to October and the saved amount is refunded to the staff member in November. If selected, the additional savings option may not be changed until the following CoE review.

1.3. Travel allowance

A travel allowance may be included in a negotiated package for staff in payclass 10 and above, or lecturer level and above who, by reason of the nature of their duties, are required to use their personal motor vehicles for business purposes. Any such allowance is paid to the employee to defray the cost of travelling using a motor vehicle owned or leased by the employee. The payment will take the form of a fixed monthly allowance. 80% of this allowance will be subject to PAYE. The South African Revenue Services (SARS) requires that travel allowances be based on expected business expenditure from the employer's perspective. SARS will therefore look to UCT to justify the quantum of each allowance received by employees. Please note that business travel excludes travel between home and place of work.

Should you wish UCT to allocate a travel allowance to you as part of your CoE package you must submit a motivation each year, approved by the Head of Department, which outlines the reasons for the expected UCT business travel expenditure as well as an estimation of your expected business mileage. The motivation must be approved by the Head of Department. This must be e-mailed to Ms Michelle Jacobs, Acting Director: Staff Wellness and Reward, michelle.jacobs@uct.ac.za.

1.4. Cash salary (after CoE allocations)

The cash amount may not remain constant as any change in the CoE package structure *will* result in an adjustment to the cash amount (e.g. the UCTRF contributions are changed as a result of the staff member increasing their retirement savings as part of the annual CoE review).

2. Deductions not listed on CoE schedule

2.1. Medical Aid Scheme Selection Information

PASS Pay classes 7 and above, and Academic staff members on permanent and T2 conditions of service are required to become members of either the University's medical aid scheme, currently Discovery Health, or another external registered South African medical aid scheme as a main member or spouse/partner dependant.

PASS Pay classes 2-6 staff members on permanent and T2 conditions of service are required to join the UCT primary healthcare insurance (currently Kaelo MyHealth Plus) unless they are registered as a main member or spouse/partner dependant on either the University's medical aid or external registered South African medical aid.

Those who elect not to join either the UCT primary healthcare insurance or the UCT medical aid scheme will be requested to provide proof of medical aid membership annually.

Further details on the medial aid policy can be found at: Medical aid policy

Medical aid or primary health insurance is a direct deduction from your net pay. Staff will receive tax relief as determined by the SARS for their UCT linked Discovery Health medical aid contributions. As it stands the current SARS medical aid scheme tax credits for the 2025 tax period are R 364 for the primary and first dependant and R 246 for each additional member thereafter. This is subject to change by SARS and is confirmed annually.

2.2. Parking

Parking is a direct deduction from your net pay. Staff bringing a motor vehicle onto the campus are required to purchase a parking disc. Red bays are allocated to academics (senior lecturer and above) or PASS staff PC10 and above. Yellow bays are allocated to academics at lecturer level and below and for all PASS staff. Please refer to the application form (TA01) for information about applying for a parking disc.

3. CoE calculator

There is a useful COE Calculator which allows you to see the impact of changing allocations and will give you an estimate of your net pay.