



<b>Name of policy</b>	<b>Policy on Remuneration</b>			
<b>Description of policy</b>	The policy regulates the management of employee remuneration.			
<b>Policy applies to</b>	<i>Employees</i>	<i>X</i>	<i>Independent Contractors</i>	
	<i>Service Providers</i>		<i>Other</i>	
<b>Policy Status</b>	<i>New Policy</i>		<i>Revision of Existing Policies</i>	<i>X</i>
<b>Description of Revision</b>	<i>Minor</i>		<i>Major</i>	<i>X</i>
	<i>A complete overhaul of the previous policy which had expired</i>			
<b>Approval Authority</b>	<b>Governing Body</b>			
<b>Policy Owner</b>	<b>Executive: Shared Services</b>			

<b>Approval Date</b>	<b>Date of adoption by Governing Body</b>
<b>Effective Date</b>	<b>Date of Adoption by GB</b>
<b>Date of last Revision</b>	<b>Various dates for the various policies</b>
<b>Date of Policy Review*</b>	<b>Every two years from date of approval</b>

*\*Unless otherwise indicated this policy will apply beyond the review date*

<b>Related Policies, SOP's</b>	<b>CCMA related policies</b>
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## 1 PREAMBLE

- 1.1 The CCMA Remuneration Policy aims to drive organizational performance by recognizing and rewarding performing employees. In doing so, the organisation's ability to deliver on its legislative and broad mandates is enhanced.
- 1.2 To this end, it is imperative that best practice in relation to an attraction and retention strategy is implemented.
- 1.3 Central to this strategy is reward, with remuneration being a form of direct reward. Indirect rewards will be addressed through other policies and practices.

## 2 PURPOSE

- 2.1 The purpose of this policy is to establish:
  - 2.1.1 The purpose of this policy is to provide the CCMA with a remuneration structure within which to determine and approve organisation-wide remuneration which will attain the Policy's overall objective, namely to articulate and effect fair, responsible and transparent remuneration
  - 2.1.2 a remuneration structure that is similar to remuneration structures in semi-government and public institutions for similar work of equal value;
  - 2.1.3 a remuneration structure that reflects the relative priorities and values of jobs and the internal organisational relationships among jobs.
- 2.2 The policy must ensure that:
  - 2.2.1 the right talent is attracted and retained to the organisation;
  - 2.2.2 a degree of certainty is established with regard to staff costs;
  - 2.2.3 there is consistency in the way employees are remunerated.

## 3 SCOPE

- 3.1 The Policy applies to all full and fixed-term employees of the CCMA. With respect to Commissioners, Governing Body resolutions, practices and procedures may supersede this policy.

## 4 DELEGATION OF AUTHORITY

- 4.1 This policy will be applied in terms of the CCMA delegation of authority framework as prescribed by the Public Finance Management Act No. 1 of 1999 (PFMA, as amended), and the Labour Relations Act 66 of 1995, as amended (LRA).

## 5 LEGISLATIVE FRAMEWORK

- 5.1 This policy shall be read in conjunction with all relevant legislation, regulations, associated policies and the CCMA Remuneration Framework and Human Resources Manual, as and when amended.

## 6 DEFINITIONS AND TERMS

	DEFINITION
Director	The Director of the CCMA as envisaged in section 118 of the Labour Relations Act 66 of 1995 (as amended) hereinafter referred to as the "LRA").
Employee	<i>For the purposes of this manual, any person who works for the CCMA and who receives or is entitled to receive any remuneration and any other person who in any manner assists in carrying on or conducting the business of the CCMA, excluding an independent contractor..</i>
GB	<i>The Governing Body of the CCMA as referred to in section 116 of the Labour Relations Act 66 of 1995 and Accounting Authority in terms of the PFMA 1 of 2000 (as amended).</i>
HRC	The Human Resources Committee, a sub-committee of the GB.
Independent Contractors	Part-time Commissioners and Interpreters of the CCMA
Management	Management includes senior management and executive management.

## 7 POLICY STATEMENT

- 7.1 Our reward philosophy underpins our growth strategy, entrepreneurial culture and risk management approach. Its objective is to direct the efforts of our employees in delivering our strategy of creating sustainable value for all our stakeholders in a fair and responsible way.
- 7.2 Remuneration must be both externally competitive and internally equitable. We consider executive remuneration alongside the broader employee population's remuneration to ensure fairness and consistency across the CCMA and at the same time, promotes an ethical culture and responsible corporate citizenship.
- 7.3 Remuneration will be fair and responsible.
- 7.4 Fair remuneration is:
  - 7.4.1. Impartial, free from discrimination, prejudice, favouritism or self-interest;
  - 7.4.2. Rational (not subject to emotion); and
  - 7.4.3. Purposeful in addressing unfair remuneration differentials.
- 7.5 Responsible remuneration is:
  - 7.5.1. Approved within appropriate levels of authority;
  - 7.5.2. Subject to independent oversight;
  - 7.5.3. Linked to positive outcomes and value creation; and
  - 7.5.4. Sustainable.

- 7.6 We aim to apply a common remuneration framework and structure across the organisation. All employees are entitled to the same basic benefits which will differ in size appropriate to their job and role.
- 7.7 Our remuneration mix comprises guaranteed fixed remuneration (cost-to-company or total guaranteed package) and variable pay (short-term incentives). Guaranteed fixed remuneration + variable pay = Total Remuneration. Guaranteed remuneration includes all guaranteed items such as basic salary, non-pensionable allowance for medical aid, provident fund, and other guaranteed allowances. Variable pay includes all incentives
- 7.8 The remuneration mix shall reflect the relative proportions of pay represented by guaranteed and variable pay and will be meaningfully linked to job type and the nature of expected outcomes.
- 7.9 While targeting a market median position on total remuneration, we aim to pay above the market median for our top performers and critical skills, and with regard to employment equity imperatives.
- 7.10 Market positioning is reviewed relative to appropriate market benchmarks, to ensure that outliers, either above or below the overall target market positioning receive attention. This is in line with our commitment to competitive, fair and responsible remuneration and to improve overall consistency in our remuneration practice.
- 7.11 Remuneration that is not aligned to market levels can be addressed over time by, among other actions, above-average increases in fixed remuneration or slowing or stopping fixed pay progression for above market positioning.
- 7.12 Performance management must be fair and have a strong developmental focus. Each employee agrees a set of objectives and measures of success against which they are assessed, taking into account both what is delivered and how it is delivered. This ensures a balance between the achievement of performance objectives, and conduct, culture and values. Rating outcomes are subject to a consistency review process to ensure fairness, and alignment with overall business performance. Performance ratings for our EXCO are subject to oversight by the Remuneration Committee. Individual performance ratings are used as a key input to both fixed remuneration and short-term incentive decisions. Where full-year individual performance falls below expectations, employees are ineligible to receive short-term incentive awards.
- 7.13 The CCMA shall designate employees into two categories namely Bargaining Unit and Non-Bargaining Unit. Bargaining Unit shall be employees from Peromnes grade P06 and below while Non Bargaining Unit shall be employees in Peromnes grade P05 and above. These job grades may change subject to the job grading system that the CCMA chooses to use.
- 7.14 Annual salary increases and related performance rewards for both categories shall be approved by the Remuneration Committee.
- 7.15 Parameters for annual salary increases, annual performance rewards and annual performance linked salary adjustments for Bargaining Unit shall be approved by the Remuneration Committee and negotiated by the Management Negotiating Team. The implementation thereof shall be bound by the agreement with Commission Staff Association. The Management Negotiating Team shall be appointed by the Director.

- 7.16 Annual salary increases, annual performance rewards and annual performance linked salary adjustments for Non-Bargaining Unit shall be approved by the Remuneration Committee after proposal by Management.
- 7.17 The Governing Body, through the Remuneration Committee, may authorise the payment of additional benefits as part of or over and above the cost-to-company to the Cost to Company structured employee remuneration packages.
- 7.18 The Director may, on good cause shown, recommend in-year salary adjustments discretionary reward, based on performance and contribution, to the Remuneration Committee.
- 7.19 Executive Committee and the Remuneration Committee will at least once a year assess the wage gap between Executives and lower bargaining unit employees and will consider appropriate actions to reducing the gap.

## **8 REVIEW OF THE POLICY**

- 8.1 This policy document is subject to review every twenty-four (24) months or as and when required, as provided for in the Policy on Policy Management

## **9 EFFECTIVE DATE OF THE POLICY**

- 9.1 The policy shall come into effect on the date of its adoption by the Governing Body.

## **10 APPROVAL OF POLICY**

- 10.1 This policy shall be approved by the Governing Body of the CCMA

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MR. ENOS NGUTSHANE

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DATE

CHAIRPERSON: CCMA GOVERNING BODY