

## ANNEXURE B: SERVICE LEVELS AND PENALTY SCHEDULE

Failure to adhere to the Service Level Targets set out in this Penalty Schedule, in respect of any component of the service, shall entitle SARS to a Service Credit where such non-compliance constitutes a Service Level Failure. Service Credits are indicated as a percentage of the total Amount at Risk (AAR).

| Problem Type | Level | Determined by impact  | Non-adherence        |
|--------------|-------|---|----------------------|
| Critical     | 1     | Business critical financial or operational impact and /or reputational risk | Possible termination |
| Serious      | 2     | Serious financial – or operational impact and /or reputational risk         | Possible termination |
| Moderate     | 3     | Moderate financial - or operational impact and /or reputational risk        | Warning              |
| Minor        | 4     | Minor operational impact, no financial impact or reputational risk          | Warning              |

The approach in the application of this Penalty Schedule will consider the classification of the problem, service failure and overall impact to the employer and employees of SARS. In instance where the Services Level is determined by a turn-around time, penalties will only become payable where there are 3 or more service failure incidents of a similar nature as and when a service request has been raised.

|  |   |          |                                      |  |   |
|--|---|----------|--------------------------------------|--|---|
| 1.1 Job Evaluation   | (a) Number of jobs to be evaluated in the service request raised  | Critical | 100%                                 | No service delivery despite follow-ups and engagements from SARS | Escalate to the allocated SARS Contract Manager   |
|  | (b) Not all jobs in the service request were evaluated (in instances where >1 is in the service request)  | Serious  | 80%                                  | <50%   | Issue the letter and allow for remedial action    |
|  | (c) An engagement session with the business as input to Job Evaluation  | Critical | 100%                                 | Non commitment to provide availability                           | Escalate to Service Provider (SP) Account Manager |
|  | (d) Allocation of Snr. Job Evaluation Consultant when engaging on Leadership level jobs   | Moderate | Provision of a Snr Consultant        | Non provision of Snr Consultant                                  | Escalate to SP Account Manager                    |
| 1.2 Job Evaluation outcome Report and Recommendations as per agreed format | (a) Job Evaluation Report received within 30 working day period from the date Service Request accepted.   | Critical | Report received within 30-day period | >30 days period  | Escalate to the allocated SARS Contract Manager   |
|  | (b) Benchmarking conducted with similar jobs in the market  | Moderate | Benchmark inputs into the report     | No benchmark conducted   | Escalate to SP Account Manager                    |
| 2.1 Job Evaluation Training overview                                       | <b>(a) Evaluation, orientation and interpretation training (Face to face)</b> (referencing the Job Evaluation report and the interpretation) to be offered to the SARS Job Evaluation Committee members / Governance Structure as and when required | Critical | 100%                                 | No service delivery  | Escalate to the allocated SARS Contract Manager   |
|  | <b>(b) Evaluation orientation and interpretation training material</b> (training outline/ structure) to be shared with SARS Job Evaluation Committee members / Governance Structure as and when required  | Critical | 100%                                 | No service delivery  | Escalate to the allocated SARS Contract Manager   |
|  | <b>(c) Once off Job Evaluation orientation and interpretation training</b> (referencing the Job Evaluation Methodology) to be offered to the SARS Organisational Design team members.   | Critical | 100%                                 | No service delivery  | Escalate to the allocated SARS Contract Manager   |

|                         |   |          |      |                                   |   |
|-------------------------|---|----------|------|-----------------------------------|---|
| 2.2 Support the OD Team | <b>(a) Continuous Support to be provided (e.g. benchmark support)</b> to the Organisational Design team | Critical | 100% | No support provided when required | Escalate to the allocated SARS Contract Manager |
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| 3. | Attendance of scheduled Meetings (i.e. Engagement sessions, scheduled JEOC Meetings) | As per Service Request Schedule                               | Critical | 100% | Non-attendance of meetings | Escalate to SP Account Manager    |
|    | Attendance of ad hoc JEOC meetings   | Attendance – with adequate notice                             | Moderate | 100% | Non-attendance of meetings | Escalate to SP Account Manager    |
|    | Job Evaluation outcome Report  | 100% submission of JE outcome report as per service request   | Critical | 100% | <100%                      | Escalate to SP Account Manager    |
|    | Quarterly Reports (list of jobs evaluated and outcomes)                              | 100% submission of Quarterly Reports as per agreed timeframes | Critical | 100% | <100%                      | Escalate to SARS Contract Manager |
|    | Report format  | As per prescribed format                                      | Moderate | 100% | <90%                       |                                   |
|    | Performance monitoring   | On-going  | Critical | 100% | <100%                      |                                   |
|    | Performance report   | Quarterly   | Critical | 100% | <100%                      |                                   |

#### SARS' ESCALATION CHANNELS

| POSITION & PROBLEM LEVEL  | NAME             | EMAIL ADDRESS          | CONTACT NUMBER |
|---|------------------|------------------------|----------------|
| Head: Remuneration, Benefits and Employee Shared Services 1 - 2 | Den Dwane        | DDwane@sars.gov.za     | 083 297 5542   |
| Sen. Specialist: Organisational & Job Design 3 - 4              | Lindiwe Makhanya | Lmakhanya2@sars.gov.za | 066 240 8453   |
| SARS Contract Manager   |                  |                        |                |

#### SERVICE PROVIDER ESCALATION CHANNELS

| POSITION & PROBLEM LEVEL | NAME | EMAIL ADDRESS | CONTACT NUMBER |
|--------------------------|------|---------------|----------------|
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