

Postdoctoral Fellowship Guidelines

1 Background

The NWU, along with most other universities in the South African research and innovation system, is faced by the challenge of having an aging but productive academic population. In support of its drive towards engaged scholarship, the NWU will therefore host postdoctoral fellows and annually make available a number of postdoctoral fellowship grants in order to attract recently-qualified researchers to the NWU. This will rejuvenate, promote and stimulate research activities at the NWU, and on the other hand, the research skills of the fellows will be developed through interaction with experienced researchers, as an introduction to a full-time academic career.

2 Scope of the Postdoctoral Fellowship

These guidelines apply to all postdoctoral fellows active in research at the NWU, irrespective of the funding source. In cases where funding is obtained from outside sources, the rules of that funding agency will also apply.

3 Objectives of the Postdoctoral fellowship program

Any Postdoctoral Fellow at the NWU will work in close collaboration with, and under the guidance of an experienced researcher (Supervisor). Therefore, the aim is for the fellow to:

1. Participate fully in the research program of the Supervisor,
2. Collaborate with other researchers working in the team, thereby stimulating new and original ideas within the team;
3. (Co)Supervise students working in the research field, in collaboration with an experienced Supervisor.

This will ensure that the research profile of the fellow is strengthened, and consequently improve his/her prospects of permanent employment in the national research and innovation system.

For the NWU, the following objectives must be kept in mind:

1. The research programmes of the NWU will be rejuvenated and stimulated towards enhanced growth through the new and original ideas brought to the program by recent graduates from other research groups;
2. The capacity of the NWU to produce research outputs, including publications and student outputs, is enhanced;
3. The research experience of currently employed academics will be enhanced through working in a supervisory role.
4. The NWU gains access to a pool of prospective permanent academics who are well trained and well versed in the research fields and research ethos of the university.

It is clear from these objectives that postdoctoral fellows must not simply be selected for their ability to improve the research output count of the NWU. Their main purpose is to stimulate research; they must hence be selected for their ability to contribute in terms of new and stimulating ideas, and their ability to share this within the research entity.

In order to reach these objectives, it is clear that the fellow must work in close collaboration with the Supervisor and his team of researchers. Therefore, fellows will be required to spend most of their time working at the NWU.

4 Fellowship vs Employment

Postdoctoral fellowships are awarded in line with section 10(1)(q) of the Income Tax Act of South Africa (See Appendix A for the Binding Class Ruling issued by SARS). In terms of an agreement with HESA, the following stipulations apply:

- A postdoctoral fellowship is regarded as a bursary, and is hence not taxable;
- A postdoctoral fellow is not an employee of the university, and as such can only be required to perform functions related to research;
- The grant is awarded in order to allow the postdoctoral fellows to expand their research skills, knowledge, intellect and expertise;
- Should they wish to do so, a postdoctoral fellow may voluntarily offer his/her services for a maximum of 12 hours per week for which they can be remunerated. This remuneration will be subject to the Labor Laws of South Africa, and will be subject to employees' tax (PAYE). The fellow will enter into a standard temporary employment contract with the NWU.

PDF should not be employed or earn full time salaries while doing the fellowship.

5 Fellowship opportunities

Fellowships opportunities can arise in a number of ways:

1. The NWU may annually submit applications for a number of Fellowships to the NRF;
2. Numerous other funding agencies advertise fellowships;
3. The NWU will (depending on budgetary constraints) annually allocate a number of fellowships.

Processes for submitting applications to the various funding sources are advertised from time to time by the Research Support Department.

6 Requirements for Postdoctoral Fellows

- A doctoral degree, obtained within five years before the appointment as a postdoctoral fellow, is mandatory.
- The candidate must have the intention to pursue a full-time academic career.
- Merit drives the allocation of fellowships, and fellowships are awarded in line with the NWU policy on employment equity. Therefore:
 - The postdoctoral fellow must bring new and stimulating ideas to the research group, and hence preference will be given to candidates who obtained the doctorate at other universities.
 - The postdoctoral fellow should contribute to a noticeable increase in the research outputs of the university, and hence the publication track record of the candidate should be taken into account when a decision is made about awarding the fellowship.
 - The postdoctoral fellow should contribute towards the postgraduate student program of the university, and hence the ability to co-supervise students must be considered.
- The fellow must be based at the relevant campus of the NWU.
- Postdoctoral fellows will be allowed to work for additional remuneration in the form of a taxable salary, in line with SARS and Department of Home Affairs regulations. This will not exceed 12 hours per week.
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7 Duration of the Fellowship

- Fellowships are awarded for an initial period of 1 year, renewable for a second and third year, subject to the following conditions:
 - Satisfactory progress on the research project(s) as agreed with the Supervisor approved by an entity director and in case of research outside entities, the assigned person as well as the DD R&I / delegate is required
 - Productive integration into the research group on the campus which is the postdoctoral fellows' full time base
 - Availability of funding
- The intended duration of the fellowship must be clearly stated in the initial application.
- No fellowship for less than 6 months will be considered.

- In rare and exceptional cases, and provided that funding can be found from outside funding sources, the fellowship can be extended to a maximum five-year period.

8 Value of the Fellowship

1. The value of the grant is determined annually by the DVC: Research & Innovation.
2. Fellows funded from outside sources at a lower level will receive a top-up from the NWU, in order to ensure that all fellows are funded at the same level, providing that the rules of the outside funding agency allow this.
3. Further top-ups from other funds can be allowed, to a maximum as determined on an annual basis. (For 2020, this maximum is R 410 000)
4. A maximum amount determined annually by the DVC: Research will be made available for running costs. If the outside funder provides less than this amount, the NWU will top it up to the maximum level. (The 2020 maximum is R20000)
5. A once off amount to a maximum of R20 000 will be made available for relocation costs.
6. It will be expected of the Supervisor to give an undertaking that the necessary infrastructure is available for the fellow to proceed with the intended research.
7. The postdoctoral fellow will be required to purchase private medical cover unless he/she can show evidence of suitable existing cover. Assistance in this regard could be provided by the Global Engagement Office.
8. If a successful applicant does not hold an external grant, he or she should be encouraged to apply to the National Research Foundation (NRF) or Medical Research Council (MRC) for a postdoctoral fellowship. Proof of such an application must be provided before a second or further years of support from NWU funding will be allowed. In the case of a successful application the funding stipulations provided in 1. - 5. above will apply.
9. If the postdoctoral fellow holds an external grant, the rules of that grant apply, in addition to these rules.
10. The fellow will be allowed a maximum of 25 working days leave of absence per annum as agreed with the Supervisor.
11. Female fellows will be allowed an additional 4 months of fully funded maternity leave.
12. After a completed two-year tenure, the NWU will refund a single return trip to enable the fellow to visit his/her home country, on condition that a third year of tenure is approved. This refund will only be available when the fellow returns to the NWU

9 Obligations

- Although the fellow cannot be regarded as an employee of the NWU, the fellow will be subject to the rules of conduct for academic employees of the NWU.
- The fellow will be based at the NWU, and can only leave the university for short periods.
- The fellow will work under the guidance of the NWU supervisor. To facilitate this process, a Task Agreement will be agreed between the fellow and the Supervisor and filed in the Research Support Department.
- Any changes in the research program must be discussed with the Supervisor. A revised Task Agreement will be agreed and filed.
- Any change of Supervisor must be agreed by the fellow, the current Supervisor and the new Supervisor. A new task Agreement will be formulated.
- A transfer from one research group to another can only be done with the mutual agreement of the relevant directors and Deans.
- All research outputs emanating from research done at the NWU must acknowledge the NWU as host institution. These outputs must be registered in the NWU outputs database, and will be submitted as part of the annual NWU research subsidy submission.

10 Procedures

The Research Support Department will administer all postdoctoral fellowship grants, irrespective of the funding source. This includes the payment of fellowship grants. Payment made in any other way will not be regarded as a fellowship grant, and will therefore be subject to normal tax and other deductions.

10.1 Application:

- An application to award a postdoctoral fellowship can be submitted to the Research Support Department at any time, with the proviso that:
 - A fellowship grant is available; as discussed in section 6 above, and
 - The fellowship was advertised and a suitable candidate has been identified.
- The NWU will annually invite applications from prospective postdoctoral fellows by advertising in a public forum other than the university intranet. The advertisement will be based on the expected availability as determined from the database, and will be advertised by the Research Support Department. Departments or entities can choose to advertise specific fellowships, with the proviso that funding for such advertisement must be available.
- A primary member of a research entity (i.e. a senior researcher within the group) may submit an application for such a grant with the signed approval of the director/coordinator of the research entity and DD R&I of the faculty. This person will act as supervisor for the fellow.
- After the advertising and selection process is completed and the faculty approved application is submitted to the Research Support Department, an award letter will be issued by the Department of Research Support. On receipt of this letter, the postdoctoral fellow must indicate in writing that the grant will be taken up. This, together with other standard documentation as requested in the award letter must be returned to the Department.
- If the fellowship is not taken up within a specified time frame, the fellowship will be offered to another candidate.
- Copies of an application form and award letter is contained in the appendixes below.

10.2 After Arrival at the NWU

- Since postdoctoral fellows are not employees of the NWU, no Letter of Employment will be issued, and the postdoctoral fellow will not receive an employment contract. The signed award letter will serve as a binding agreement between the NWU and the fellow.
- The postdoctoral fellow will be required to enter into a task agreement with his/her supervisor, and this agreement will be submitted to the Research Department. An example of such a Task agreement is contained in the appendixes.
- The amount awarded in respect of the fellowship is exempt from South African Income Tax, and will be paid out to the postdoctoral fellow's university account quarterly, at the end of February, May, August and November in four (4) equal amounts by electronic transfer, however, the spreading of the payments might differ, depending on the date/month of commencement.
- The Department of Research Support will issue a request that the award be paid to the fellow through the standard NWU bursary system. After this request is processed by Research Support, the payment of the bursary funding to the fellow is handled entirely by the Financial Support Services office. Any queries regarding to the payment of bursaries must be directed towards that office.
- The fellow will be responsible for the arrangement and payment of his/her own accommodation, subsistence and transport costs and the like for the duration of their stay.

10.3 Relocation Cost Claims

A once-off maximum amount of R20 000 can be claimed. This will include the transportation of the postdoctoral fellow and his/her belongings. This does not include transportation of family members or the purchase of new furniture, deposits for electricity or telephones etc. Payments will only be made on submission of receipts.

- The fellow will pre-pay all expenses in this regard;
- On arrival at the NWU, receipts for these expenses can be submitted to the Research Support Department.
- Funding will then be transferred to the standard NWU Bursary system, and paid out to the fellow by Financial Support Systems.
- Unfortunately, no payment can be made from the Research Support Department to the bank account of fellows.

10.4 Running Cost

- A maximum amount of R20 000 per year can be claimed.

- These funds are paid into a university cost code and is administered by the fellow in collaboration with the Supervisor. The money may be spent in line with the NWU rules for running expenses. The Supervisor must certify that the expense does indeed contribute towards the research activities of the fellow.
- Any equipment or other capital items purchased from this allocation will remain the property of the NWU, and must be returned to the university on termination of the fellowship.
- The money will be paid over to the cost code on receipt of a request with supporting documentation, endorsed by the fellow and the supervisor.

10.5 Reporting

- The fellow and Supervisor will agree on a regular reporting strategy.
- The Supervisor will be required to approve further grant payments on a three-monthly basis.
- The Supervisor will submit an annual report via the office of the relevant director and Deputy Dean R&I or designate, to reach the Research Support Department one month before the expiry date of the grant. This report will indicate the level of performance, measured against the Task Agreement, and will also contain a recommendation to renew the grant for a further year.

10.6 Termination of the Fellowship

- The termination date of a fellowship grant will be one year after commencement of the fellowship and the termination date for second or further years will be indicated on the extension of the fellowship letter and will only be renewed upon receipt of a recommendation for renewal from the Supervisor and approval by the relevant dean/ delegate. After this date, the fellow will have no further obligations towards the NWU or vice versa.
- A postdoctoral fellow who wishes to leave the NWU for whatever reason before the termination of the grant must notify the Research Support Department and the Supervisor in writing of this intention, one calendar month in advance. Any unspent running funds will also be transferred to the Research Support Department. In this case, any further outputs derived from research done at the NWU must acknowledge the NWU as host institution. Such an early termination could result in a request to pay back a pro rata part of the grant.
- A grant can be terminated by the Supervisor if the fellow fails to perform as agreed in the Task Agreement. The Research Support Department must be notified of such a termination at least one month in advance.

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Advance Tax Rulings
ATR-01-P1-T10

Office
Head Office

Enquiries
Anton Schoon

Telephone
012 422 8791

Room
Ground Floor

Reference
ATR 2020500225

Date
15 September 2020



South African Revenue Service

The Directors
Universities of South Africa

% Charles De Wet
Price Waterhouse Coopers Tax Services (Pty)
Ltd.
5 Silo Square
Cape Town
8002

Khanyisa Building
278 Bronkhorst Street,
Nieuw Muckleneuk
Pretoria, 0181
Private Bag X923, Pretoria, 0001
SARS online: www.sars.gov.za
Switchboard: 012 422 4000

Via SARS eFiling

Dear Sirs / Mesdames

BINDING CLASS RULING: UNIVERSITIES SOUTH AFRICA

This is a binding class ruling issued in accordance with section 78(2) of the Tax Administration Act 28 of 2011 (TA Act).

1. BINDING CLASS RULING

1.1 Persons to whom this ruling applies

This ruling letter has been applied for by the Applicant, Universities South Africa, with income tax reference number 9031/765/15/0 and the following class members:

- The higher education institutions represented by Universities South Africa listed in Annexure A.

1.2 Relevant tax laws

The ruling has been requested on the interpretation and application of section 10(1)(q) of the Income Tax Act No. 58 of 1962 (the "Act").

1.3 Description of the proposed transaction

1.3.1 The Applicant is a statutory body, formerly known as Higher Education South Africa, established in terms of section 38(1) of the Higher Education Act. It represents a number of different higher education institutions, including universities and universities of technology, who are the Class Members.

1.3.2 The Class Members, represented by the Applicant, award Post-Doctoral Research Fellowship ("PDRFs") to post-doctoral research fellows. These PDRFs are awarded to enable the fellows to continue their post-doctoral studies in a particular field of expertise and are, therefore, used to enhance their knowledge, intellect and expertise.

- 1.3.3 The Applicant has adopted a best practice policy pertaining to PDRFs. The PDRF Policy contains the rules and procedures to be followed by the Class Members in respect of the funding and advertising of PDRFs, the requirements and application process for PDRFs, and the process to be followed in awarding, accepting, payment and extension of a PDRF. The Class Members have indicated that they will grant PDRFs based on the PDRF policy at all times.

1.4 Conditions and assumptions

Section 78(3) of the TA Act provides that a binding class ruling may be made subject to the conditions and assumptions prescribed in the ruling.

This binding class ruling is not made subject to additional conditions and assumptions.

1.5 Ruling

The ruling made in connection with the proposed transaction is as follows:

- 1.5.1 The bursary awards provided for in the PDRF policy document satisfy all the statutory requirements of a bursary as contemplated in section 10(1)(q) of the Act.
- 1.5.2 If a fellow is considered to be an 'employee', as defined, at the time the PDRF is awarded, or during its course, or if a relative of an employee receives a bursary or scholarship, the PDRF award will only be exempt to the extent of the limitations as stated in section 10(1)(q)(i) and (ii).

1.6 Period for which this ruling letter is valid

This binding class ruling is valid for a period of 5 (five) years from 1 June 2020.

2. STANDARD CONDITIONS AND ASSUMPTIONS

2.1 Basis of the ruling(s) given in this letter

The ruling(s) set forth in this ruling letter only apply to the provisions of the tax laws identified in this binding class ruling in connection with the proposed transaction described herein, and are based upon the following:

- 2.1.1 The information, documents, representations, facts considered and assumptions presented being true and accurate.
- 2.1.2 Any legal agreements or contracts entered into (or proposed to be entered into) in connection with the proposed transaction being legally valid and enforceable in accordance with their stated terms, the parties to those agreements timeously satisfying their obligations under those agreements, and those agreements otherwise being carried out in accordance with their terms.
- 2.1.3 The interpretation and application of tax laws, regulations, binding general rulings, and case law in effect as of the date of this binding class ruling.

2.2 The understanding of the South African Revenue Service (SARS) of the proposed transaction

This ruling letter and the ruling(s) set forth herein are based upon the understanding of SARS of the proposed transaction as described herein.

Please note that if you believe that this understanding is incorrect, inaccurate or incomplete, it is your obligation to notify SARS immediately. The failure to rectify a misunderstanding of a material fact may result in the ruling being withdrawn or modified.

2.3 Subsequent changes in tax law

2.3.1 This binding class ruling letter will cease to be effective in any of the following circumstances:

- The provisions of the tax laws that are the subject of this binding class ruling are repealed or amended.
- A court overturns or modifies an interpretation of the provisions of the tax laws on which the rulings set forth herein are based unless:
 - The decision is on appeal.
 - The decision is fact-specific and the general interpretation upon which the rulings were based is unaffected.
 - The references in the decision to the interpretation upon which the rulings were based are *obiter dicta*.

2.3.2 In any of these circumstances, the ruling letter will cease to be effective immediately upon:

- The effective date of the repeal or amendment of the provisions in question.
- The date of the reasons for judgment.

2.3.3 SARS is not obliged to notify the Applicant, or any Co-Applicant(s) if applicable, or any Class Member(s), or to otherwise publish a notice of withdrawal or modification.

2.4 Fraud, misrepresentation or non-disclosure

2.4.1 This binding class ruling letter is void *ab initio* in any of the following circumstances:

- The proposed transaction is materially different from the transaction actually carried out.
- There is fraud, misrepresentation or a non-disclosure of a material fact.
- Any condition or assumption prescribed in this binding class ruling is not satisfied or carried out.

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- 2.4.2 A fact is considered material if it would have resulted in a different ruling had SARS been aware of it when issuing this binding class ruling letter.

2.5 Other requirements and limitations

This ruling letter and the ruling(s) set forth herein are also subject to any other requirements and limitations set forth in Chapter 7 of the TA Act, as well as any requirements and limitations set forth in any general binding ruling issued under section 90 of the TA Act.

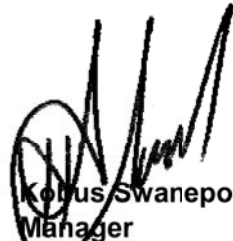
This ruling letter and the specific ruling(s) set forth in it only apply to the Applicant and any Co-Applicant(s) and the Class Members identified herein. This ruling letter may not be cited in any proceeding, including court proceedings, other than a proceeding involving the Applicant or any Co-Applicant(s) or the Class Members identified herein.

Sincerely



Anton Schoon
Specialist

for **COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE**



Kotrus Swanepoel
Manager

Cape Peninsula University of TechnologyVice-Chancellor: **Prof Chris Nhlapo**

P O Box 1906

BELLVILLE, 7535

Central University of Technology, Free StatePrincipal/Vice-Chancellor: **Professor Henk de Jager**

Private Bag X20539 ,

BLOEMFONTEIN, 9300

Durban University of TechnologyVice-Chancellor & Principal: **Professor Thandwa Mthembu**

P O Box 1334

DURBAN, 4000

Mangosuthu University of TechnologyVice-Chancellor & Principal: **Dr ED Malaza**

P O Box 12363

JACOBS, 4026

Nelson Mandela Metropolitan UniversityVice-Chancellor & CEO: **Dr Sibongile Muthwa**

PO Box 77000

PORT ELIZABETH, 6031

North-West UniversityVice-Chancellor & Rector: **Prof D Kgwadi**

Private Bag X6001

POTCHEFSTROOM, 2520

Rhodes UniversityPrincipal & Vice-Chancellor: **Dr S Mabizela**

PO Box 94

GRAHAMSTOWN, 6140

Sefako Makgato Health Science UniversityVice-Chancellor: **Prof Peter Mbatl**

PO Box 55

MEDUNSA, 0204

Sol Plaatje UniversityVice-Chancellors: **Prof Andrew Crouch**

Private Bag X5008

KIMBERLEY, 8300

Stellenbosch UniversityRector & Vice-Chancellor: **Prof Wim de Villiers**

Private Bag X1

MATIELAND, 7602

Tshwane University of TechnologyVice-Chancellor & Principal: **Prof L van Staden**

Private Bag X680

PRETORIA, 0001

University of Cape TownVice-Chancellor: **Professor Mamokgethi Phakeng**

Private Bag X3

RONDEBOSCH, 7701

University of Fort Hare

Vice-Chancellor: **Prof S.M Buhlungu**
 Private Bag X1314
 ALICE, 5700

University of Johannesburg

Vice-Chancellor & Rector: **Prof Tshilidzi Marwala**
 PO Box 524
 AUCKLAND PARK, 2006

University of KwaZulu-Natal

Vice-Chancellor: **Professor Nana Poku**
 DURBAN, 4041

University of Limpopo

Vice-Chancellor & Rector: **Prof NM Mokgalong**
 Private Bag X1106
 SOVENGA, 0727

University of Mpumalanga

Vice-Chancellor: **Prof Thoko Mayekiso**
 Private Bag 11283
 MBOMBELA, 1200

University of Pretoria

Vice-Chancellor & Rector: **Professor Tawana Kupe**
 Private Bag X20
 HATFIELD, 0028

University of South Africa (UNISA)

Principal & Vice-Chancellor: **Prof M S Makhanya**
 PO Box 392
 UNISA, 0003

University of the Free State

Rector: **Prof Francis William Petersen**
 PO Box 339
 BLOEMFONTEIN, 9300

University of the Western Cape

Vice-Chancellor & Rector: **Professor Tyrone Pretorius**
 Private Bag X17
 BELLVILLE, 7535

University of the Witwatersrand

Vice-Chancellor & Principal: **Prof A Habib**
 Private Bag X3,
 WITS, 2050

University of Venda

Vice-Chancellor & Principal: **Dr Ndanduleni Bernard Nthambeleni**
 Private Bag X5050
 THOHOYANDOU, 0950

University of Zululand

Vice-Chancellor & Rector: **Prof X Mtose**
 Private Bag X1001
 KwaDLANGEZWA, 3886

Vaal University of Technology

Vice-Chancellor: **Professor Gordon Zide**
 Private Bag X021
 VANDERBIJLPARK, 1900

Walter Sisulu University

Acting Vice-Chancellor: **Professor R. Midgley**

Private Bag X1

UNITRA 5117