



# **GREATER TAUNG LOCAL MUNICIPALITY**

## **VEHICLE ALLOWANCE POLICY**

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**1. PREAMBLE**

1.1 The purpose of this policy is to provide uniform procedures, conditions and limitations for transport allowances in a consistent, fair and equitable manner to Municipal employees.

1.2 To formulate the basis for compensation and allowance benefits in respect of designated employees who utilize private vehicle in the execution of official duties.

1.3 To provide guidelines with regards to provision of vehicle allowance to the employees of the Municipality.

**2. DEFINITIONS/ ABBREVIATIONS**

All terminology used in this policy or not defined under Clause 2 of this Policy shall bear the same meaning as in the applicable legislation.

Travel allowance	Any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private travelling (this includes travelling between the employee’s place of residence and his/her place of employment, or any other travelling done for his or her private or domestic purposes), shall be deemed not to have been actually expended on travelling for business.
Reimbursive travel allowance	A reimbursive travel allowance is where an allowance or advance is based on the actual distance travelled for business purposes. (that is excluding private use).
Official distance	Means the distance in kilometres travelled for official duties by an employee in Council’s employment excluding distances between place of work and place of residence.
Official visit	Means the attendance of meetings, seminars, congresses, workshops, training courses or any other event that a delegate attends in his/her official capacity for which prior approval has been obtained and includes the attendance of meetings of institutes by officials that have been selected to serve on the management structures of such institutes.
Running costs	Means the tariff in cents per kilometre which is composed of the following : Cost of fuel as well as maintenance costs as in relation to the value of the vehicle, which must be equal to the salary notch plus thirteenth (13 <sup>th</sup> ) cheque or whichever is lesser when comparing the value of the vehicle and the

	salary notch plus thirteenth cheque.
Salary notch	Is regarded as the salary notch applicable in a particular financial year
Council	Means the Council of Greater Taung Local Municipality
Vehicle	A privately owned vehicle (excluding a motorcycle and a motor scooter), which is utilized and suitable for the execution of official duties of the employee
Employee	Any person excluding an independent contractor who works for Greater Taung Local Municipality, who receives or is entitled to receive any remuneration
Intern	An individual taking part in a <b>trainee</b> program or a <b>graduate</b> program within the Municipality after having graduated from university or college.

**3.LEGAL FRAMEWORK**

This policy is guided by but not limited to the following:

3.1 Income Tax Act, Section 8 (1)

Includes in taxable income any allowance or advance, excluding any portion thereof actually expended, on any accommodation, meals or other incidental costs while the recipient is by reason of the duties of his or her office of employment obliged to spend at least one night away.

3.2Municipal Systems Act 32 of 2000,

3.3Basic Conditions of Employment Act 75 of 1997,

3.4Municipal Finance Management Act 56 of 2003

#### **4. SCOPE**

This policy applies to Municipal employees who are eligible as may be determined in terms of this Policy, except the Municipal Manager and Senior Managers (Section 56 & 57 in terms of Municipal Systems Act). Variation to the policy may be considered in special circumstances, but all variations require prior approval of Municipal Manager.

#### **5.OBJECTIVES OF POLICY**

5.1 The objective of the policy are to provide the following:

5.1.1. Uniform guidelines, condition and limitations in terms of how the policy is to be run

5.1.2 Sufficient flexibility to the policy in order to allow Council to frame internal rules to provide for the unique circumstances.

#### **6. ELIGIBILITY**

.1. Transport allowance shall be primarily determined by operational reasons and approval by the Municipal Manager.

6.2 Positions in Task grade 15 in terms of the approved job evaluation outcomes are deemed allowance bearing positions.

6.3 The eligible employee shall be required to comply with the following:

.3.1 The use of a private vehicle is required for the execution of functions and duties

6.3.2 The incumbent has a valid driver's licence

6.3.3 A private owned vehicle must be available for business use.

6.3.4 The incumbents are to provide proof of ownership in case of co-ownership such as "in community of properties" evidence should be provided.

6.3.5 Should an employee be transferred by the Municipal Manager to a post for which no travelling allowance has been authorized, the incumbent will maintain his/her allowance.

#### **7. CLASSIFICATION OF TRANSPORT ALLOWANCES**

##### **7.1 Fixed motor vehicle allowance**

All qualifying employees shall receive a fixed kilometers of 850 per month shall be calculated based on the fixed and running costs of the SARS fixed travel allowance table. The vehicle allowance will be determined by the AA rates checking on the following:

- Annual salary of the employee
- type and model of the vehicle
- engine capacity

7.1.1 For journeys outside the boundaries of Greater Taung Local Municipality, the employee will be compensated in accordance with the prescribed Department of Transport rate tariffs for total running costs for the distance travelled.

7.1.2 This will also apply to the excess kilometers travelled within the boundary of Greater Taung Local Municipality. However, the employees who exceed the prescribed kilometers must submit a monthly logbook (log sheet) to the Office of Director Corporate Services.

7.1.3 The payments of a fixed monthly car allowance to the various incumbents are however subject to the following: -

7.1.4 That no official car will be provided to such incumbents.

7.1.5 Residence to place of work trips does not form part of official trips.

7.1.6 That all other requirements contained in this policy are complied with.

7.1.7 Vehicle purchased under car allowance must be suitable for the incumbents to perform his/her duties.

## **7.2 Adhoc allowance**

7.2.1 If employees in posts not in receipt of fixed/permanent vehicle allowance and in the absence of pool vehicle for Municipal business on an ad hoc basis, such employees are eligible to receive allowance in line with the prescribed Department of Transport rate tariffs.

7.2.2 All ad hoc basis must be recommended by the Unit Manager, authorized by the relevant Director and approved by the Municipal Manager.

7.2.3. All officials who are not eligible for car allowance, however if they are approved by the accounting officer will receive a fixed vehicle allowance as may be determined by Clause 7.1

## **8. PAYMENT OF CAR ALLOWANCE DURING LEAVE OF ABSENCE**

8.1 A motor vehicle allowance shall be paid to employees who are on authorized leave.

8.2 An employee shall not be paid car allowance for an unauthorized continued period of absence from duty in excess of 25 working days. In the event of the vehicle allowance has been paid erroneously such allowance will be recovered in the following month.

8.3 An employee on maternity leave shall be paid vehicle allowance at a normal rate.

## **9. RESPONSIBILITY OF THE EMPLOYEE RECEIVING VEHICLE ALLOWANCE**

9.1 Employees wishing to claim the cost of business travel must base their claims on the actual business kilometers travelled and are required to prove the business

kilometres travelled to the satisfaction of the SARS Commissioner, which will be submitted to the Commissioner at the end of every financial year.

9.2 The employee in receipt of vehicle allowance shall be responsible for the payment of his/her motor license fees impact of his/her private vehicle that he/she is required to execute official duties with.

9.3 It is the responsibility of an employee to submit a contract of sale when purchasing a vehicle in an event of new application or replacement.

9.4 The incumbent has a responsibility to inform the Human Resource Manager immediately if they do not have a vehicle available for approval of using a different vehicle than the one approved.

9.5 In the event the incumbent fails to report within a period of 60 days payment of transport allowance, it shall be stopped until such time the vehicle is available.

9.6 In the event that it can be established that the employee has received the transport allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period shall constitute an act of misconduct which will then be dealt with in terms of the Collective agreement on the disciplinary code.

## **10. DOCUMENTS REQUIRED FOR APPROVAL**

10.1 Vehicle allowance shall be limited to vehicle personally owned by the designated employees who hold an obligation to meet the following requirements and submit to the Human Resources division:

10.1.1 proof of purchase price excluding finance costs

10.1.2 submit certificate of vehicle registration (Obtainable from Registration Authority)

10.2 A position other than those mentioned on Clause 4.1.2 may be considered for vehicle allowance provided :

10.2.1 that the Director of that Department shall base on the functions and duties of the position and the available budget make an application to the Municipal Manager who shall make a decision on the availability of funds.

10.2.2 the Director shall provide as part of a motivation the log sheet for a period of 3 months reflecting at least 850 km per month during where the incumbent have been utilizing private vehicle in the execution of Council duties and evidence that municipal fleet was not made available for the identified period.

10.3 the vehicle allowance shall be deemed to be personal to holder to an incumbent who already receives an allowance not in line with the listed categories.

## **11. SUSPENSION OF VEHICLE ALLOWANCE**

11.1 The vehicle allowance may be suspended based on the following scenario:

11.1.1 Employee occupying a vehicle allowance bearing position who requests to be

permanently transferred to a non- vehicle allowance bearing position, shall forfeit the vehicle allowance from the date of transfer.

11.1.2 Employee who is not in possession of vehicle allowance for a period of 20 days in a month for business purpose as per policy.

## **12. DISPUTE RESOLUTION**

Any grievance/complaint arising from this policy must be dealt with in accordance with Clause13 of the Main Collective Agreement.

## **13.POLICY REVIEW**

This policy shall be reviewed as and when necessary, in compliance with the relevant legalframework.