



THE TRANSPORT ALLOWANCE POLICY

1. THE PREAMBLE

The purpose of this policy is to create a uniform policy throughout Vhembe District Municipality that is adequate for all employers and employees who qualify for car allowance throughout the sector with due regard to the already prevailing positions in some municipalities.

The implementation of this policy shall always be guided by the provisions of the Municipal Finance Management Act to ensure adequate accountability and responsibility.

The policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.

2. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

- 2.2. **Official distance** “means the distance in kilometers travelled by an employee in his/her employer’s service, excluding between place of work and residence.
- 2.3. **“Days”** indicates the number of working days in the service of the participating local Municipality.
- 2.4. **AA rate** “means the rand per kilometers travelled”
- 2.5. **Car Ownership Cost** “ as reflected and maintained by the Automobile Association of South Africa in the Tables for Estimated average car ownership cost for the current fiscal year”
- 2.6. **Total Fixed Cost** “means the tariff in cents per kilometer as determined on the purchase value of the vehicle as reflected in the “Auto Dealer Digest” Plus Value added Tax, subject to the maximum restrictions in this policy.
- 2.7. **Total running cost** “means the tariff in cents per kilometer which is composed of the following:
 - ✚ Cost of fuel in relation to the vehicle’s engine capacity or to a maximum as restricted in this policy.
 - ✚ Maintenance costs in relation to the vehicle’s engine capacity.

- 2.8. ***An allowance bearing job or post*** “means a job post to which a fixed of running transport allowance is coupled and which qualifies for a vehicle allowance in terms of this policy.
- 2.9. ***Transport Allowance Policy*** “means this policy as agreed upon.
- 2.10. ***Private Transport*** refers to an employee who is not benefiting from car allowance but is requested to make use of own transport for official duties.

3. LEGAL FRAMEWORK

Municipal Finance Management Act – Act 56 of 2003

4. SCOPE AND APPLICATION

Employees employed in terms of Section 57 of the Municipal Systems Act are excluded from this policy.

5. OBJECTIVES OF POLICY

The Policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.

- 5.1. The objects of the policy are to provide for the following:
- 5.1.1. Uniform guidelines, conditions and limitations in terms of which 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 circumstance;
 - 5.1.3. The basic of compensation and policy benefits in respect of employees who utilize private transport is available and /or whether prior arrangements have been made with an employee to utilize private transport for official purpose.

5.1.4. Log books of officials that claim additional kilometers for official purposes must be signed every day by the supervisor in order to control or avoid problems.

6. POLICY PARTICIPATION

Any employee of Vhembe District Municipality who on request and with the approval of his employer, utilizes a private vehicle in the execution of official duties, is a participant in the policy and consequently entitled to the specific policy benefits but is also subject to the conditions and limitations contained in the policy.

7. POLICY STIPULATIONS

- 7.1. Post level 2 and 3 qualify automatically for a monthly car allowance without proof of distance travelled. No official transport will be provided to such incumbents. Authorization or Approval by the Municipal Manager with the recommendations from the relevant General Manager will be necessary in the event a need arise.
- 7.2. This policy provides for participation by all employees of this local Municipality with approval of the Municipal Manager recommended by relevant General Manager.
- 7.3. Admission to and participation in the policy are thus primarily determined by the utilization of private transport for official purposes, regarding those utilization of transports which is permanent in nature.
- 7.4. Any other employee after approval by the Municipal Manager, such employee will be required to travel for a period of three (3) calendar months using a council supplied vehicle, and the average kilometers should not be less than the minimum kilometers which is allocated to qualifying employee.

8. CLASSIFICATION OF CAR ALLOWANCE

- 8.1. For classification purposes, the following forms of car allowances are identified:
- 8.2. The allowance referred is intended for incumbent of posts of departmental head, departmental Managers and on post Level 0.1.2.3 of the fixed staff establishment.
- 8.3. The allowance referred is intended for all qualifying employees.
- 8.4. Such incumbent qualify automatically for a monthly transport allowance, without proof of distances travelled as follows:
- 8.5. **Incumbent on Post Level (0)** that will be determined by the package.
- 8.6. **Incumbent on Post Level (1)** that will be determined by the package
- 8.7. **Incumbent on Post level (2)** that will be determined by the package.
- 8.8. Vehicles purchased under Car Allowances must be suitable for the incumbents to perform their duties.
- 8.9. Other post such as post 4, 5, 6 and below qualifies to participate in the policy due to the nature and requirements to perform council duties utilizing their own private motor vehicles and therefore have been allocated fixed kilometers per month: log books of officials that claim additional kilometers for officials purpose must be signed every day by the supervisor in order to control or avoid problems. Should the monthly logbook approved by the Head of Department, to the office of the Municipal Manager. Such incumbent are as follows:
- ✓ **Incumbent on post Level (7) and below should claim 750 km.**
- 8.9.1. For the journey within the boundaries of Vhembe District Municipality employees are not required to provide proof of the distance travelled for official trips. For journey outside the boundaries of Vhembe District, the employee will be compensated in accordance with the prescribed **Department of Transport** tariff for total running for the distance travelled.

- 8.9.2. It is thus requirement for participation in the Car Allowance Policy that suitable private transport must be available for the execution of official duties.
- 8.9.3. The payments of a fixed monthly transport to the various incumbent are however subject to the following conditions:
- 8.9.4. That no official transport will be provided to such incumbents;
- 8.9.5. That the maximum distance kilometer prescribed for incumbents on post level 1, 2, and 3 must not be exceeded, without a logbook approved by the Head of department and with prior approval by the Municipal Manager.
- 8.9.6. Residence to place of work trips does not form part of the official trips.
- 8.9.7. That all other requirements contained in this policy are complied with.

9. A RUNNING COSTS

9.1. When it is agreed with an employee to daily utilize private transport for the execution of official duties and such employee travels for more than 100 (kilometers) per month in the process, a running cost for monthly transport allowance shall be paid in accordance with component of allowance will be based on the Department of Transport Tariff for running costs and be revised monthly according to Department of Transport Tariff for running costs.

9.2. For the determination of distances with regard to running cost the following principles shall apply.

9.3. The employees who qualify for policy participation due to the nature and the requirements to perform council duties utilizing their own private motor vehicle must submit a monthly logbook (log sheet) to the office of the GM and than approved by Municipal Manager should they exceeds their fixed monthly allocated kilometers compensation shall be determined on fixed average journey distance per month plus their actual distance (kilometers) travelled exceeding their monthly fixed allocated kilometers which will be calculated using the applicable formula in the Municipality.

10. CALCULATION OF TRANSPORT ALLOWANCE

10.1. DETERMINATION OF RATES

10.1.1. All car allowance payments shall be calculated in accordance with the Department of Transport Tariff of South Africa.

All rates will be calculated twice a month using Department Transport rates using the following:

- ✓ Vehicle cost
- ✓ Annual Distance Travelled
- ✓ Vehicle type
- ✓ Engine capacity
- ✓ Fuel price

11. ABSCONDMENT FROM DUTY

11.1. A motor vehicle allowance shall be paid to employees who are in authorized period of absence e.g. Vacation and Maternity leave.

11.2. Unauthorized continuous period of absent from duty in excess of 25 working days. Running cost shall not be payable for such absence. After the 25th consecutive working days.

11.3. An employee on maternity leave shall be paid her Car Allowance on running costs multiplied by the allocated kilometers per month for the whole period during which she will receiving salary from Vhembe District Municipality.

11.4. Should an employee be transferred by the Municipal Manager to a post for which no travelling allowances has been authorized, the council shall pay such an employee his/her monthly allowances.

12. SUSPENSION OF TRANSPORT ALLOWANCES

12.1. Should an employee be transferred at his/her own request to another position not bearing any transport allowance, no transport allowance shall be payable from the date of transfer.

13.EMPLOYEE'S RESPONSIBILITY

- ✓ The onus of keeping the log sheets shall be the responsibility of an employee utilizing the transport allowance.
- ✓ The employee in receipt of the Car Allowance shall be responsible for the payment of his/her motor license fees in respect of his/her private transport that he/she is required to execute official duties with.

14.SHEME PARTICIPATION

14.1. Any employee of the Vhembe District Municipality who on request and with the approval of his employer utilizes a private vehicle in the execution of official duties, is a participant in the scheme and consequently entitled to the specific of scheme benefits but is also subject to the conditions and limitations contained in the scheme.

14.2. This scheme provides for participation by all employees of the District Municipality except the Municipal Manager and Section 57 employees, who with the approval of the council utilize private transport in the execution of official duties. Admission to and participation in the scheme are thus primarily determined by the utilization of private transport for official purpose. Vehicles purchased under Car Allowance must be suitable for the incumbent to perform his/her duties. If incumbent has no car, there shall be no allowance. Employees will be required to travel for three months completing his/her log book for official kilometers travelled, and will be approved by the GM. The General Manager having satisfied himself/herself that the journeys undertaken were indeed official

he/she will make necessary recommendations to the Municipal Manager for approval.

15. POLICY CONTENT

Senior employees at a management level who received a transport allowance prior to the introduction of this policy are eligible to receive a transport allowance as a fringe benefit in addition to their salaries.

Eligible employee will be paid in terms of a kilometer allocation of 850km.

Any claims in excess of 850km will be remunerated according to officially approved log sheets at running costs only as by the official Department of Transport tables upon submission of officially approved log sheets.

The procedure for the coupling of an allocation to a post will be as follows:

- ✓ The incumbent will maintain officially approved log sheets of actual distances travelled for a period of six months.
- ✓ Only distance travelled within the metropolitan boundaries or to council premises/ work outside such boundaries in the execution of official duties will be taken into account, distances between work and home will be excluded.
- ✓ The Departmental Head/ General Manager will send a motivated report along with the log sheets to the Human Resource Division for investigation and recommendation, where after the General Manager: Corporate Services will approve/ disapprove the coupling of the allocation to the post.
- ✓ As it is accepted that employees do not, as a result of vacancies etc, always utilize their full allocations every month, the lower interval will be allocated to the post should the average of the log sheets submitted fall between two intervals.

- ✓ It will be expected of employees in posts with allocations above 750 km to, one year after receiving the allocations, maintain log sheet for a minimum three months annually as a control measure. Employees should send the log allocation. Control sheets should be sent to the General Manager: Corporate Services who will approve / disapprove the allocation. Should the kilometers be reduced, the Human Resources Division in conjunction with the Department/ Directorate will inform the employee, of the reduction of the allocation after giving the employee one month's written notice.
- ✓ The Departmental Head/ General Manager can at any stage terminate the transport allowance, after giving six months written notice, should he/she deem it no longer a necessity for the incumbent of the post to utilize his/her vehicle in the completion of his/her duties. During this period only the fixed cost component of the allowance will be paid. The General Manager: Corporate Services should then be informed accordingly.

16. Ad Hoc Allowance

16.1 If employees in posts not in receipt of permanent travel allowances

And in the absence of pool vehicles are requested and agreed to by the departmental head to use their private motor vehicles for Local Council's business on an ad hoc basis are eligible to receive the following allowance (in cents) based on the following table:

A	B	C	D	E	F
ENGINE SWEPT VOLUME CM3	SEDAN/ STATION WAGON	LIGHT DELIVERY VEHICLE	4x4 LIGHT DELIVERY VEHICLE	MINI-BUS/ MPV	MOTOR CYCLE/ SCOOTER
To 1250	-	-	-	-	84.8
Over 1250	-	-	-	-	113.0
Up to 1550	141.3	149.0	-	-	-
1551-1750	155.4	163.6	184.8	-	-
1751-1950	172.5	184.2	202.0	197.1	-
1951-2151	190.5	208.2	227.5	237.4	-
2151-2500	213.0	234.7	262.4	259.3	-
2501-3500	233.3	261.5	292.5	280.9	-
Over 3500	258.0	290.0	325.4	305.7	-

The ad hoc scheme takes the following form:

- All ad hoc claims must be approved by an official on at least the level of the Directorate Head or General Manager.

16.2 General

Employees in receipt of permanent transport allowances shall at all times provide motor vehicles of suitable types and conditions as predefined and approved by the overall heads of department concerned for the proper discharge of their duties.

Employees are to provide proof of availability of suitable vehicles on the request of management and / or Human Resources.

Alternatively, the affected employees' transport allowances must be stopped until such vehicles are available / provided.

Employees must inform their employer (the employing local authority / municipality) immediately if they do not have a vehicle available.

In the event that it can be shown 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 must be recovered from the employee's salary.

Further, they may face disciplinary action and / or incapacity proceedings relating to their non-compliance

with this provision and inability to perform their duties due to them not having the requisite vehicle and where they continued to receive the allowance without complying with the above qualifying requirements they must be charged with fraud.

The Local Authority may terminate or vary any transport allowance on the recommendation of the overall head of department concerned with the concurrent approval of the Transport Allowance Committee after consultation with the affected employee.

The Transport Allowance Committee shall approve of any employees' in receipt of permanent transport allowances, who are required to be transferred by the Local Authority to other posts to which no transport allowances are attached, or whose duties change to the extent that their posts no longer justify transport

allowances being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicles financing agreements for their current vehicles purchased in terms of the this scheme, or until the agreement or commitment is terminated/ expires for any reason whatsoever.

Affected employees may not renegotiate or reschedule the agreements in any way to have the effected of extending the agreements and / or commitments/ obligations in terms thereof to cause allowances to continue to be paid for longer than they otherwise would have been.

If such agreements should terminate at an earlier time due to whatever reason the employees concerned must inform their management immediately and the transport allowance must be discontinued forthwith.

Employees without transport allowances and those in receipt of transport allowances in their current posts and who apply for and are appointed to new or promotional posts to which transport allowances are attached shall receive the post's approved allowance that they take up the duties (are appointment) of the promotional post; and employees who are in receipt of existing transport allowances which they enjoyed from their previous post and who are appointed to promotional posts that do not have transport allowances attached to them shall have their existing transport allowance discontinued from the time that they take up the duties of the new promotional post.

16.3 Transitional Agreements

An employee who received a transport allowance prior to the introduction of this policy, will continue to receive allowances in terms of his/her former scheme until the end of the agreed term, where after he/she will be placed on the new arrangements in terms of this policy.

17. IMPLEMENTATION AND MONITORING

This policy will be implemented and effective once recommended by the Local Labour Forum and approved by the Council.

18. COMMUNICATION:

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

19. POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

20. BUDGET AND RESOURCES

The financial and resource implication/s related to the implementation of this policy should be qualified and quantified.

21. ROLES AND RESPONSIBILITIES

The Municipal Manager or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy.

22. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

23. DISPUTE RESOLUTION

Any dispute that arise from this policy must be dealt with in terms of the procedures as set out in the SALGBC Main Collective Agreement.

24. AUTHORITY

Formulated by: _____ Date: _____

Consulted: LLF: _____ Date: _____

MM Approval: _____ Date: _____

Council Approval: _____ Date: _____

DRAFT