

CAR ALLOWANCE POLICY

TABLE OF CONTENTS	Page
PREAMBLE.....	3
DEFINATIONS.....	3
LEGISLATIVE BACKGROUND	3
PURPOSE.....	3
<u>OBJECTIVES</u>	317
<u>POLICY APPLICATION</u>	4
<u>FIXED CAR ALLOWANCE</u>	4
CONDITIONS OF RECEIVING CAR ALLOWANCE.....	5
<u>AN AD HOC TRANSPORT ALLOWANCE</u>	5
<u>ANNUAL INCREASE OF CAR ALLOWANCE</u>	6
REVIEW OF CAR ALLOWANCE POLICY.....	6
SUSPENSION OF TRANSPORT ALLOWANCE	6
INTERPRETATION	6

PREAMBLE

Matatiele Local Municipality shall provide some guidelines and procedures regarding car allowance. The policy applies to Matatiele local municipality classified staff members as outlined below. Variations to the policy may be considered in special circumstances, but all variations shall require prior council approval.

1. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation. To this policy the following definitions shall apply:

“Qualifying employee” means those whose job description’s core duties is 60% outside the office.

“Engine capacity” means the volume of all cylinders in a car’s engine in cubic centimeters (cc) or in liters.

“Car fit for the job” means a vehicle that an employee shall not even one day complain of it being unable to travel in certain areas where there is a need of his/her service

“Running costs” includes maintenance and fuel costs.

“Annual basic salary” means salary offered to an employee excluding all benefits.

“Core duties” means specific Key Performance Areas (KPA’s) talking to the position excluding general KPA’s like administration, supervision etc

“Private transport” refers to an employee’s own transport requested for official duties.

“Relevant Bodies” means sectors like banks that usually finance people to buy cars and or car dealers

2. LEGISLATIVE BACKGROUND

- 1 Municipal Systems Act No. 32 of 2000 Chapter 7 Sec. 51(m) “provide an equitable, fair, open and non-discriminatory working environment.”**
- 2 LG Municipal Structures Act 117 of 1998**
- 3 Basic Conditions of Employment Act, 75 of 1997**
- 4 LG Municipal Finance Management Act, 56, of 2003**

3. PURPOSE

The purpose of this policy is to:

- a) Set out the basis for the payment of a car allowance to staff of the municipality.**
- b) To motivate staff to own vehicles to perform business of the municipality**
- c) Ensure that officials are remunerated fairly and equitably for costs incurred while travelling in the execution of duties for and on behalf of the municipality**

4. OBJECTIVES

- 1 To deals with the payment of a motor car allowance to Matatiele Local Municipality employees who are required to utilize private transport in the execution of their official duties.**
- 2 To provide for the following:**
 - a) Uniform guidelines, conditions, and limitations in terms of which the policy is to be run.**

- b) The basis of compensation and policy benefits in respect of employees who utilize private transport available and/or whether prior arrangements have been made with an employee to utilize private transport for official purpose.

5. POLICY APPLICATION

This policy applies to:

- 1 Any Matatiele local Municipality's employee at
 - a) Officer and Administrator levels whose job description's core duties is 60% outside the office.
 - b) Managers reporting to Section 56 Managers
 - c) Supervisors/Foremen
- 2 Municipal Manager and Section 56 Managers and contract employees have a latitude of structuring their car allowance as a condition of their employment contract.
- 3 This policy does not apply to Councillors and traditional leaders as they are remunerated in terms of Remuneration of Public Office Bearers Act, 20 of 1998.

6. DETERMINATION FOR CAR ALLOWANCE

- 6.1. Qualifying positions will receive a car allowance based on 25% of their annual basic salary payable on monthly basis,
- 6.2. Middle manager will identify qualifying positions in their units and approved by the HOD's,
- 6.3. The following positions within departments will qualify for car allowance:
 - a) Infrastructure Planning & Development
 - b) Community Services
 - c) Economic Development

7. FIXED CAR ALLOWANCE

- 7.1. The allowance is intended for calculation of fixed car allowance for all qualifying employees. As fixed Car allowance is regarded as a fringe benefit, such incumbent of the position qualifies for a monthly allowance as stipulated in clause 5 above per month
- 7.2. Employees who qualify for car allowance due to the nature and the requirements to perform council duties utilizing their own private motor vehicle will further be compensated for the journeys travelled kms in accordance with prescribed SARS rate Tariff for total kilometers travelled.
- 7.3. Only official trips travelled will be considered for this purpose.
- 7.4. It is thus a requirement for participation in the Car allowance policy that suitable private transport must be available for execution of official duties. Such private vehicle must be registered with Payroll section for official duties. If not available for minor or major mechanical problems, it should be only for a period not exceeding a month.

7.5. The municipality may not provide the council vehicle where an employee's vehicle is not operational for any given period.

7.6. Should the problem exceed a month, an employee should arrange for an alternative transport excluding council vehicle to perform his duties.

7.7. Failure to get an alternate transport within six months, a beneficiary will be withdrawn from Car Allowance Scheme.

7.8. The onus is on the individual employee to choose a motor vehicle that is fit for his/her job.

7.9. The payment of a fixed monthly transport to the various incumbents are however subject to the following conditions:

- I. That no Council transport will be provided to such incumbents.**
- II. That private vehicle must always be available for official duties.**
- III. From residence to place of work trips do not form part of the official trips.**
- IV. That all other requirements contained in this policy are complied with.**

8. CONDITIONS OF RECEIVING CAR ALLOWANCE

8.1. Participation is dependent on the primary requirement that the use of private transport will be more beneficial than the provision of an official vehicle.

8.1.1. Incumbent must have Driving license.

8.1.2. Proof of owning a car (Motor Vehicle Registration & Registration Certificate)

8.1.3. Proof of car insurance.

8.1.4. Copy of roadworthy certificate (where applicable)

8.1.5. Private transport must be available on a daily basis for official use.

8.1.6. Employees who in terms of the above requirements, does not qualify for car allowance can on approval by the head of department, use private transport whether for temporary or occasional trips, and be compensated accordingly.

8.1.7. Motivation for application of a car allowance or a review of current allowance can be done based on the following:

- a) All travelling bearing posts should be advertised with car allowance**
- b) Only distances travelled within the boundaries of the Council or outside the boundaries in the execution of official duties related to the post will be considered.**

9. AN AD HOC TRANSPORT ALLOWANCE

When it is agreed (by means of approval by the HOD concerned/Municipal Manager) that the incumbent of specific position will use his/her private vehicle for the execution of official duties, the total kms travelled will be reimbursed to such employee in accordance with the Department of Transport rate tariffs subject to the following conditions:

- 1. That the kms travelled be approved by the Head of Department or the Municipal Manager.**

2. That the reimbursement of kilometers travelled for and AD HOC Transport allowance will be based on journeys for both inside or outside the municipality boundaries.
3. Residence to place of work trips do not form part of the official trips.
4. Those participants who are not receiving fixed monthly car allowance.

10. ANNUAL INCREASE OF CAR ALLOWANCE

Car allowance shall increase annually on the 1st of July with the same percentage of the general annual salary increase as determined by SALGBC.

11. CAR ALLOWANCE POLICY REVIEW

Car allowance Policy shall be reviewed annually, and it can be amended or repealed by the council as it may be deemed necessary


12. SUSPENSION OF CAR ALLOWANCE

- 11.1 The municipality may terminate or vary any car allowance in the event where a beneficiary fails to avail private transport for official duties for a period of six months after the car had mechanical problems,
- 11.2. The head of department in consultation with the head of corporate services and with the municipal manager's consent, shall approve any employees in receipt of permanent car allowance, which are required to be transferred by the municipality to other posts where car allowance is not attached, to discontinue car allowance after an employee has completed to pay for the purchased car.
- 11.3. an employee in terms of 11.2. above should furnish the municipality with a proof of log book from the bank to confirm completion of payment.
- 11.4. Car allowance will be ceased when an employee completes to pay for a purchased car and submits a log book, unless an employee purchases another vehicle.


13. INTERPRETATION

In the event of any inconsistency between this policy and any other government legislation, such legislations shall prevail.

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MR. L. MATIWANE
MUNICIPAL
MANAGER


CLLR M. STUURMAN
ACTING HON.
MAYOR


CLLR N. NGWANYA
HON. SPEAKER