


FRANCES BAARD DISTRICT MUNICIPALITY

MOTOR ALLOWANCE POLICY



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Signature of Speaker:	
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APPROVED

1. SCOPE OF APPLICATION OF POLICY

This policy will apply to all employees appointed as managers on a permanent and/or fixed term contract by Frances Baard District Municipality and those employees who by nature of their duties are involved on operational levels who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis, excluding councillors, the municipal manager and managers directly accountable to the municipal managers as set out in the Local Government: Municipal Systems Act No. 32 of 2000.

2. OPERATION OF THE POLICY

This policy shall come into operation after approval by the Council.

3. DEFINITIONS

For the purpose of this policy the following definitions shall apply:

"Council" shall mean the Council of Frances Baard District Municipality.

"Employee" shall mean a person appointed on a permanent and/or fixed term contract by Frances Baard District Municipality.

"Emergency Operational Activities" shall mean activities that require response to a situation that poses an immediate risk to health, life, property or the environment and which require urgent intervention to prevent a worsening of the situation.

"Fringe Benefit" shall mean an allowance paid to an employee in addition to such employee's monthly salary.

"Fixed Transport Allowance" shall mean a standard allowance payable to employees that are deemed to qualify for such within this policy.

"Manager" – shall mean employee appointed on a managerial position by Frances Baard District municipality.

"Monthly Basic Salary" means current monthly basic salary of official.

"Official trips" shall mean the trips undertaken by an employee in the employer's service through prior written approval. attendance of meetings, seminars, congresses, workshops, training courses or any other event that an employee attends in his/her official capacity for which prior written approval has been obtained.

"Reimbursement of Actual Official Travel" shall mean an amount paid to an employee based on the actual distance travelled for business purposes calculated as per **THE DEPARTMENT OF TRANSPORT** rates within the jurisdiction of Frances Baard District Municipal Council.

4. OBJECTIVE OF THE POLICY

The objective of the policy is to provide for the following:

- 4.1 Uniform guidelines, conditions and limitations in terms of which the policy is to be applied;
- 4.2 To identify positions that qualify to benefit for motor allowance;
- 4.3 To provide guidelines and criteria to regulate the allocation of a fixed transport allowance; and
- 4.4 To provide for reimbursement of actual official trips travelled by usage of private vehicles.

5. POLICY STIPULATIONS

- 5.1 Managers, automatically qualify for a monthly fixed motor allowance as a fringe benefit without proof of distance travelled and there is no need for application to be made for incumbents of this post levels / task levels;
- 5.2 Managers who are receiving a fixed transport allowance prior to the implementation and approval of this policy will retain their motor allowance on a contractual-to-incumbent up until the position becomes vacant; and
- 5.3 As a fringe benefit, the motor allowance will be taxed at 100% as per the current tax tables applicable to the tax year. Employees are entitled to request this taxable percentage to be changed to 80% or 20%, in writing.

6. GUIDING PRINCIPLES FOR FIXED ALLOWANCE

- 6.1 An employee who receives a fixed transport allowance must have a private vehicle available for the execution of official duties, at all times;
- 6.2 No official motor vehicle of Frances Baard District Municipality will be made available to employees who receive a fixed transport allowance for the execution of their official duties, except where required for emergency operational activities;
- 6.3 Employees who receive a fixed transport allowance are responsible for the full cost of maintenance, insurance, licensing and registration of their private vehicles;
- 6.4 The choice and type of the vehicle to be used by an employee who receives a fixed transport allowance should comply with the purpose and requirements for the execution of the employee's official duties;
- 6.5 In order to qualify for a fixed transport allowance, employees should be in possession of a valid driver's licence;
- 6.6 Employees with physical disabilities who cannot qualify for a valid driver's licence in terms of the National Road Traffic Act, 1996 (Act No 93 of 1996) will qualify for a fixed transport allowance, subject thereto that they utilize a private vehicle and driver for purposes of official journeys and on condition that the Frances Baard District Municipality is indemnified from any claims that might result from this arrangement;
- 6.7 An employee who receives a fixed transport allowance (excluding employees responding to emergency operational activities) will only be allowed to travel as a passenger with official transport of the Frances Baard District Municipality, should circumstances deem it necessary that an employee who is not a beneficiary to a fixed transport allowance has to travel to the same event and location with an official vehicle.
- 6.8 In the event where more than one employee who receives a fixed transport allowance have to attend the same meeting, seminar, congress, workshop, training course or any other event that the employees have to attend in their official capacity for which prior written approval has been obtained, such employees must travel together and only one (1) employee can claim for re-imbursive travel.
- 6.9 An employee who receives a fixed transport allowance will not be allowed to claim for any official journeys undertaken within the jurisdiction of the Frances Baard District Municipality.

7. FIXED MOTOR ALLOWANCE

7.1 The fixed term motor allowance will be capped in accordance with a manager's different remuneration task grading as reflected below:

MANAGER ON TASK GRADE	ANNUAL FIXED TRANSPORT ALLOWANCE	MONTHLY FIXED TRANSPORT ALLOWANCE
T 18	R132 000	R11 000
T 17	R120 000	R10 000
T 16	R108 000	R9 000
T 15	R96 000	R8 000
T 14	R84 000	R7 000

- 7.2 Any fixed transport allowance in terms of this policy is, after deduction of any taxes as may be prescribed, payable monthly into the bank account of the employee concerned, together with the employee's salary;
- 7.3 It will be an employee's own responsibility to keep regular log sheets acceptable to the South African Revenue Services for business kilometres travelled and to submit such log sheets annually to the South African Revenue Services as part of their income tax return;
- 7.4 Employees who are receiving a fixed transport allowance prior to the implementation and approval of this policy will retain same on a contractual-to-incumbent up until the position becomes vacant;
- 7.5 Employees remain entitled to and must be paid the full amount of their fixed monthly transport allowance during any period of absence on leave with full pay; and
- 7.6 In the event that an employee other than a manager who is entitled to a fixed transport allowance is not in possession of a valid driver's license and/or a privately owned vehicle, the fixed monthly transport allowance will be discontinued for the corresponding period until such time that these qualifying requirements are met, excluding disabled employees as referred to in paragraph 5.6.

8. RE-IMBURSIVE TRAVEL ALLOWANCE

Employees appointed by the municipality on a permanent and/or positions may receive a re-imbursive travel allowance due to operational reasons subject to the following conditions:

- 8.1 Employees may be required to travel on a regular basis using their private vehicles within the scope of such employees scope of employment and subject to the approval of the municipal manager. The said employee must keep a monthly logbook as supporting evidence of official kilometres travelled within the district in order to qualify for a re-imbursive travel allowance. The logbook must be signed off by the relevant HOD or municipal manager for any payment with the monthly payroll by the 15th of every month;
- 8.2 The maximum kilometres to be paid will be 4000 per month at a maximum engine capacity of 1800cc as per the Department of Transport tables;
- 8.3 The choice and type of the vehicle to be used by an employee who receives a re-imbursive transport allowance should comply with the purpose and requirements for the execution of the employee's official duties;
- 8.4 No official transport will be made available to employees who receives a re-imbursive allowance for the execution of their official duties, except where required for emergency operational activities and or upon approval by the Accounting Officer; and
- 8.5 Employees who receive a re-imbursive transport allowance are responsible for the full cost of maintenance, insurance, licensing and registration of their private vehicles.

9. PAYMENT OF FIXED MOTOR ALLOWANCE

- 9.1 A motor allowance shall be paid to employees who are in authorized leave of absence e.g. vacation, maternity leave;
- 9.2 An employee on maternity leave shall be paid her motor allowance for the whole period during which she will be receiving salary from the municipality; and
- 9.3 Should an employee be transferred by the Municipal Manager to a post for which no travelling allowances has been authorized, the municipality shall continue to pay such an employee his/her monthly motor allowance.

10. SUSPENSION OF TRANSPORT ALLOWANCES

- 10.1 If an employee is appointed as a manager and is transferred at his /her own request to another position not bearing any motor vehicle allowance, no transport allowance shall be payable from the date of transfer;
- 10.2 If any employee who receives a motor allowance is demoted to any position within the municipality due to being found guilty for an act of misconduct, the municipal manager must terminate the motor allowance with a six months written notice informing the employee of the intention to terminate the motor allowance; and
- 10.3 The municipality will terminate the motor vehicle allowance on termination of services by the employee.

11. INCREASE OF MOTOR ALLOWANCE

It is only employees appointed as managers who are entitled for their respective motor allowance to be revised on a 3-year cycle with effective from date of approval and implementation of this policy by council on the discretion and recommendation of the municipal manager in consultation and upon approval by council and subject to the financial viability and affordability of the municipality.

12. TRANSITIONAL ARRANGEMENTS

- 12.1 Employees who receives motor allowance that is in excess of the stipulations of this policy prior to the approval and implementation of this policy shall continue to receive such benefit as a benefit to holder until such position becomes vacant; and
- 12.2 Employees who are not managers but receive a motor allowance prior to the approval and implementation of this policy will retain the allowance as a contractual-to-incumbent fringe benefit until determined otherwise by the municipal council on recommendation from the municipal manager.

13. AMENDMENTS

The Council may from time to time amend this policy on recommendation by the municipal manager and introduce any measure(s) to ensure efficient, economic and effective management of this policy.

14. EFFECTIVE DATE

This policy will be effective upon approval and implementation date as may be determined by Council.