



Dr. Beyers Naudé

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DR. BEYERS NAUDÉ LOCAL MUNICIPALITY

TRAVEL ALLOWANCE POLICY

**APPROVED & ADOPTED
BY COUNCIL ON 23RD
MAY 2024.**

(RESOLUTION NO.
SCOUN-079.2/24)

**TO BE REVIEWED:
30TH JUNE 2025.**

**RESPONSIBLE
ADMINISTRATION UNIT:**

**DIRECTORATE FINANCIAL
SERVICES**

**DR. E.M RANKWANA:
MUNICIPAL MANAGER**

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1. PURPOSE OF THE POLICY

The purpose of this policy is to:

- Create a uniform policy that is adequate for all employees who qualify for a transport allowance scheme within the municipality.
- Ensure an accountable and standardised way of administering the scheme to all qualifying employees.
- Be in compliance with legislation and approved gazetted rates
- Provide guidelines and criteria to regulate the allocation of a fixed transport allowance employees who qualify for a transport allowance.
- Provide for participation by employees of the municipality who, with the consent of the council make use of private transport in the execution of official duties.
- Provide for the payment of a travelling allowance as part of benefits payable to employees in terms of the position occupied and conditions of appointment.
- Attract and retain competent employees by providing them with fringe benefits in addition to the cash component of their remuneration.
- Ensure that whilst allowing fringe benefits to qualifying employees, compliance with statutory requirements is always upheld.
- Provide for the suspension of benefits under certain conditions.

2. LEGISLATIVE FRAMEWORK

- The Constitution of the Republic of South Africa, 1996
- Income Tax Act 58 of 1962
- The Municipal Finance Management Act 56 Of 2003 (MFMA)
- Municipal Systems Act 32 of 2000 as amended
- Basic Conditions of Employment Act 75 1997 as amended
- Labour Relations Act 66 of 1995
- South African Local Government Bargaining Council Collective Agreement on Wages & Salaries

3. SCOPE OF THE POLICY

- With the exception of Section 56/57 Managers, Management positions as defined shall receive a fixed monthly transport allowance.
- The policy is also directly applicable to employees who by nature of their duties are involved on a daily basis on both the functional and or employees who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis are eligible to receive a fixed compensatory transport allowance subject to the approval by the Head of Department (Director) and the Municipal Manager.

- Employees may also receive a fixed compensatory transport allowance in the form of a fringe benefit linked to their employment contract upon entering into the service of the Municipality.
- Office bound employees who fall outside the category of employees mentioned above are not allowed to participate in the travelling allowance scheme at all.

4. GUIDING PRINCIPLES

- I. No official transport 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.
- II. Employees who receive a fixed transport allowance are responsible for the full cost of maintenance, insurance, licensing, and registration of their private vehicles.
- III. 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.
- IV. To qualify for a fixed transport allowance, employees should be in possession of a valid driver's license.
- V. 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) who qualify for a travelling allowance by nature of their job/position 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 Municipality is indemnified from any claims that might result from this arrangement.
- VI. 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 Municipality should circumstances deem it necessary that an employee who is not incumbent to a fixed transport allowance has to travel to the same event and location with an official vehicle.
- VII. 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 may travel together however, one claim to be submitted for reimbursement for travelling (owner of the vehicle whose vehicle was used)
- VIII. An employee who receives a fixed transport allowance and who is requested by written instruction by the Municipal Manager or his/her superior to be available for the performance of standby duty outside his/her normal working hours will not be allowed to travel with an official emergency vehicle between his/her residence and place of work.
- IX. An employee who receives a fixed transport allowance will not be allowed to claim for any official journeys undertaken within a 80-kilometre radius of his/her work centre.
- X. A vehicle registered to a participant of the travel allowance of council should be available every time it is needed to carry out Council's official duties. If not available due to minor or major mechanical problems, it should only be for a period not exceeding one month. Should the problem exceed one month, the employee must arrange for an alternative transport excluding Council Vehicle to perform his/her duties. Failure to get an alternative transport within six months, the beneficiary will be withdrawn from receiving a travel allowance. Any other exceptions which is not indicated above will be dealt with on merit.

5. DETERMINATION OF TRAVELLING ALLOWANCE AMOUNTS

- I. Positions qualifying will receive allowances based on fixed amounts per month
- II. The travel allowance amount shall be adjusted or shall increase in each financial year in line with the provisions of the applicable salary and wage Collective Agreement and in line with the provisions of the approved schedules as per the income tax act.
- III. The travelling allowances applicable to incumbents will be paid monthly in arrears.
- IV. The travel allowance shall be based on a set 850 kilometres per month and the rate per kilometre should be determined as follows:
 - The fixed cost divided by the total distance in kilometres (10 200 km's) to have been travelled in the vehicle during the year of assessment
 - where the recipient of the allowance has borne the full cost of the fuel used in the vehicle, the fuel cost; and
 - where that recipient has borne the full cost of maintaining the vehicle (including the cost of repairs, servicing, lubrication, and tyres), the maintenance cost.

Where the value of the vehicle –	Fixed cost (R)	Fuel cost (R/km)	Maintenance cost (R/km)
does not exceed R100 000	34 480	1,517	0,460
exceeds R100 000, but does not exceed R200 000	61 770	1,694	0,576
exceeds R200 000, but does not exceed R300 000	89 119	1,840	0,635
exceeds R300 000, but does not exceed R400 000	113 436	1,979	0,693
exceeds R400 000, but does not exceed R500 000	137 752	2,118	0,815
exceeds R500 000, but does not exceed R600 000	163 178	2,430	0,956
exceeds R600 000, but does not exceed R700 000	188 653	2,471	1,073
exceeds R700 000	188 653	2,471	1,073

- V. Travel allowance paid to recipient officials that occupy positions lower than Management level that has been appropriately approved by the Municipal Manager with sufficient reasoning shall receive a set amount that is capped at R 5000 per month regardless of the vehicle being used.
- VI. Travel allowances paid to Managers may not be less than R 5000 per month.

6. RE-IMBURSEMENT FOR KILOMETRES OUTSIDE AREA OF JURISDICTION

I. Employees receiving a travelling allowance:

A reimbursement of the actual kilometres travelled return trip, measured from the place of work to the destination calculated at the rates approved by the SARS for private transport used for official purposes.

II. Employees not receiving a travel allowance:

A reimbursement of the actual kilometres travelled return trip, measured from the place of work to the destination calculated at the rates approved by the Department of Transport for private transport used for official purposes.

7. APPROVALS

I. Automatic participation:

All appointed Managers automatically qualify for receipt of a travel allowance.

II. Requested participation:

The Transport Allowance Committee, consisting of General Managers and chaired by the CFO shall be mandated to scrutinise applications referred and recommend to the Municipal Manager to approve or not approve participation in the scheme upon receipt of sufficient and reasonable evidence that an incumbent qualifies in terms of the rules of the policy, subject to affordability within the policy of the Municipality provided that their position require official travelling on a regular basis at an average of 1000km per month and where no official Municipal vehicle is available to be utilized.

8. TRAVEL ALLOWANCES PAYABLE TO EMPLOYEES RECEIVING ANNUAL ALL INCLUSIVE SELF STRUCTURED REMUNERATION PACKAGES: MUNICIPAL MANAGER, DIRECTORS (Section 56 Managers) AND OTHER GENERAL MANAGERS.

Employees paid an annual all-inclusive cost to company package that is not linked to a Task grade or Post level may elect to receive a portion of their annual remuneration as a travelling allowance.

9. MOVEMENT OF EMPLOYEES BETWEEN POSITIONS DUE TO TEMPORARY TRANSFERS (SECONDMENTS) , RE-DEPLOYMENT, RESTRUCTURING AND TERMINATION

- I. 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 promotion to which transport allowances are attached shall receive the new post's approved allowance that they take up the duties (on appointment) of the promotional posts.
- II. 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.
- III. Should the job requirements of an incumbent receiving a travelling allowance change through any process of re-deployment, re-structuring or amendment of the operational requirements of the Municipality in any way whatsoever thereby causing that it is no longer necessary to regularly travel for official purposes, the travelling allowance payable to the incumbent will cease to be paid within 6 months of such re-deployment, re-structuring or amendment of the operational requirements of the Municipality.
- IV. Should an incumbent, after the conclusion of a disciplinary process be demoted in rank resulting in the recipient of a travelling allowance to fall outside the applicable Task grade or Post levels thereby disqualifying the incumbent from taking part in the travelling allowance scheme, the payment of the allowance will cease within three months from the date of such final ruling of demotion by the disciplinary committee or appeal authority.
- V. In the event that an employee has received a transport allowance without having the requisite vehicle available the overpayment of the allowance for the identified nonqualifying period must be recovered from the employee's salary.

10. ANNUAL ADJUSTMENTS

- I. The Payroll unit will adjust the vehicle allowance as determined by the outcome of the Salary and Wage negotiations as agreed upon by parties at the South African Local Bargaining Council (SALGBC) and as prescribed by SARS.

11. MONITORING AND CONTROLS

- I. Beneficiaries of the travelling Allowance Scheme will be requested to submit a Confirmation of ownership in a form of a copy of the (a) registration document of the vehicle from the traffic department and a (b) copy of the purchase agreement between the recipient of the travel allowance and the Dealership indicating the cost price of the vehicle for determining of the monthly travel allowance. Should the recipient of the travel allowance fail to produce document (b) as mentioned above, the travel allowance will be capped at the minimum of R 5000 per month.

12. EFFECTIVE DATE

This policy will become effective from date of approval by Council.

13. REVIEWAL OF THE POLICY

This policy will be reviewed as and when required but will only be effective from the date Council approves any changes.

This policy adopted is by Council on **23RD MAY 2024 (RESOLUTION NO. SCOUN-079.2/24)** and will come into effect on 01st July 2024.