



EHLANZENI
DISTRICT MUNICIPALITY

EHLANZENI DISTRICT MUNICIPALITY TRAVEL ALLOWANCE POLICY

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TABLE OF CONTENTS

1.	PURPOSE OF THE POLICY	3
2	LEGISLATIVE FRAMEWORK	3
3	SCOPE OF APPLICATION	4
4	GUIDING PRINCIPLES	4
5	AD HOC TRAVELLING NON-PARTICIPANTS IN TRAVELLING SCHEME INSIDE AREA OF JURISDICTION	5-6
6	DETERMINATION OF TRAVELLING ALLOWANCE AMOUNTS	6
7	RE-IMBURSEMENT FOR KILOMETRES OUTSIDE AREA OF JURISDICTION	6
8	APPROVALS	7
9	TRAVEL ALLOWANCES PAYABLE TO EMPLOYEES RECEIVING ANNUAL ALL INCLUSIVE SELF STRUCTURED REMUNERATION PACKAGES: MUNICIPAL MANAGER AND GENERAL MANAGERS (Section 56 Managers)	7
10	MOVEMENT OF EMPLOYEES BETWEEN POSITIONS DUE TO TRANSFERS, RE-DEPLOYMENT, RESTRUCTURING AND TERMINATION	7-8
11	ANNUAL ADJUSTMENTS	8
12	MONITORING AND CONTROLS	8-9
13	EFFECTIVE DATE	9
14	REVIEWAL OF THE POLICY	9

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 and registered employees, and to address all identified concerns emanating from the administration of the Travelling Allowance Scheme.
- Provide guidelines and criteria to regulate the allocation of a fixed transport allowance and reimbursement of actual official travel for employees who qualify for participation in the Transport Allowance Scheme.
- Reduce the fleet management budget while ensuring that Council's work is not been compromised due to limited Council vehicles.
- Ensure that employees whose work require travelling utilize their own vehicles as a tool of trade to carry out Council's duties and be compensated accordingly.
- 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 upheld at all times.
- Ensure provision for adequate compensation for employees travelling on an ad-hoc basis.
- Provide for adequate control by Managers/supervisors.
- Provide for the suspension of benefits under certain conditions.

2. LEGISLATIVE FRAMEWORK

- The Constitution of the Republic of South Africa, 1996: Section
- 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

- 3.1 With the exception of Section 56/57 Managers, Management positions from post level 3 upwards shall receive a fixed monthly transport allowance.
- 3.2 The policy is also directly applicable to employees who by nature of their duties (Post level 4-9) who 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.
- 3.3 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.
- 3.4 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

- 4.1 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.
- 4.2 Employees who receive a fixed transport allowance are responsible for the full cost of maintenance, insurance, licensing and registration of their private vehicles.
- 4.3 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.
- 4.4 In order to qualify for a fixed transport allowance, employees should be in possession of a valid driver's license.
- 4.5 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 Ehlanzeni District Municipality's indemnified from any claims that might result from this arrangement.
- 4.6 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 Ehlanzeni District Municipality should circumstances deemed 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.
- 4.7 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 re-imbusement for travelling (owner of the vehicle whose vehicle was used)

- 4.8 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, and such employees will only be allowed to claim for kilometres travelled when called out to attend to emergency work.
- 4.9 An employee who receives a fixed transport allowance will not be allowed to claim for any official journeys undertaken within a 10-kilometre radius of his/her work centre.
- 4.10 A vehicle registered in the Travelling Allowance Scheme 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 the Vehicle Allowance Scheme. Any other exceptions which is not indicated above will be dealt with on merit.

5. AD HOC TRAVELLING NON-PARTICIPANTS IN TRAVELLING SCHEME INSIDE AREA OF JURISDICTION

- 5.1 An employee who does not qualify for participation in terms of the requirements of the scheme will be compensated for Ad-Hoc kilometres travelled through a reimbursement of the actual kilometres return trip, measured from the place of work to the destination on the shortest possible route (return trip)
- 5.2 Employees requesting re-imbusement for ad-hoc travelling must provide the municipality with proof of the vehicle particulars to enable the processing of the claim.
- 5.3 All ad-hoc travelling must be approved by the respective Heads of Department in advance and also in the absence of pool vehicles non-participating employees are requested to make such submissions in writing and approved by the departmental General Manager to use their private motor vehicles for Council's business on an adhoc basis are legible to receive the allowance (in cents) based on the AA table as updated from time to time.
- 5.4 This section applies only for the use of personal vehicles within the demarcated boundaries of the Municipality. Any ad hoc travelling that takes place outside the demarcated municipal boundary must be claimed in terms of Council's Subsistence and travelling policy applicable at the time.
- 5.5 Log sheets substantiating travelling may be required to be submitted to a relevant Head of Department from time to time. Any official is required to make use of the standardised

Traveling claim form as supplied by the municipality to substantiate actual kilometres travelled and/or claimed.

6. DETERMINATION OF TRAVELLING ALLOWANCE AMOUNTS

- 6.1 Positions qualifying will receive allowances based on fixed amounts per month
- 6.2 The travelling allowances amount shall be adjusted or shall increase by the same rate as the salary increase in each financial year in line the provisions of the applicable Salary and Wage Collective Agreement.
- 6.3 The monthly fixed allowance as determined in terms of the above post levels applies to all officials who travel inside and outside the area of jurisdiction of the Ehlanzeni.
- 6.4 The travelling allowances applicable to incumbents will be paid monthly in arrears.
- 6.5 Employees who in their nature of their job are field workers over and above the fixed traveling allowance, their travelling shall be capped at 3000km per month and paid in terms of the Subsistence and Travelling(S&T) policy of Council. Kilometres in excess of the maximum capped kilometres limit will not be paid.

7. RE-IMBURSEMENT FOR KILOMETRES OUTSIDE AREA OF JURISDICTION

7.1 Employees taking part in the travelling allowance scheme:

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.

7.2 Employees not taking part in a travelling allowance scheme and essential car user scheme participants:

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.

8. APPROVALS

8.1 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 scheme, subject to affordability within the policy framework of Ehlanzeni District Municipality provided that their position require official travelling on a regular basis at an average of 1000km per month.

- 8.1.1 Heads of Departments and Supervisors should carefully scrutinise and monitor such applications to ensure consistent implementation at all times before it reaches the Transport Committee.

8.2 Exceeding of capped monthly kilometres:

The respective Heads of Department to approve, upon submission of log sheets by the incumbent to substantiate the kilometres travelled.

8.3 Ad-hoc kilometres:

Approval by the relevant Head of Department upon submission of a valid claim (including prior approval) by the respective officials.

All approvals in terms of the Travelling Allowance scheme, whether for participation in the scheme or for ad-hoc kilometres travelled must be confirmed in writing.

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

- 9.1 Employees paid an annual all-inclusive cost to company package that is not linked to a Post level may elect to receive a portion of their annual remuneration as a travelling allowance, and shall be adjusted from time to time depending on the fuel type in accordance with the changes from the Department of Transport as well as engine capacity of the vehicle and/or the type of fuel utilised by the vehicle.

- 9.2 The running cost reimbursement and other matters not covered by this policy will be contractually agreed upon with the respective incumbent in terms of their employment agreements.

10. MOVEMENT OF EMPLOYEES BETWEEN POSITIONS DUE TO TRANSFERS, RE-DEPLOYMENT, RESTRUCTURING AND TERMINATION

- 10.1 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.

- 10.2 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.

- 10.3 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.
- 10.4 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 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.
- 10.5 Should any employee be found guilty of defrauding or attempting to defraud the municipality in any way with regards to the requirements for participation in the scheme or in respect of any claim submitted for travelling done, the Municipal Manager may immediately terminate the payment of any travelling allowance to such employee.
- 10.6 Should any allegations of an occurrence of fraudulent behaviour be received and be investigated, the Municipal Manager may suspend the payment of a travelling allowance to such employee until the outcome of the investigation.
- 10.7 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 non-qualifying period must be recovered from the employee's salary.
- 10.8 In such an instance, the Municipal Manager may institute disciplinary action and/or incapacity proceedings relating to his/her non-compliance with this provision and inability to perform his/her duties due to him/her not having the requisite vehicle and where he/she continued to receive the allowance without complying with the above qualifying requirements he/she must be charged with fraud.
- 10.9 The municipality may terminate or vary any transport allowance on the recommendation of the Head of Department concerned with the concurrent approval of the Municipal Manager after consultation with the affected employee.

11. ANNUAL ADJUSTMENTS

- 11.1 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).

12. MONITORING AND CONTROLS

- 12.1 Beneficiaries of the travelling Allowance Scheme will be requested to submit a confirmation in a form of a copy of document from the traffic department or contract from the relevant Dealer indicating that the beneficiary is still compliant to the provisions of this policy including the need to travel for official duties. The

confirmation must be submitted to HR in July each year. Should the supervisor of an employee indicate that the employee's work does not require travelling, the HR unit will investigate and advise accordingly.

13. EFFECTIVE DATE

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

14. REVIEWAL OF THE POLICY

14.1 This policy will be reviewed as and when required and/or changes in legislation.