

WEST RAND DISTRICT MUNICIPALITY



WRDM TRANSPORT ALLOWANCE POLICY

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1. DEFINITIONS AND ABBREVIATIONS

- 1.1 **“SARS Rates”** The South African Revenue Services fixed cost table issued in terms of the Income Tax Act (Act No 58 of 1962) as amended.
- 1.2 **“Ad Hoc Travelling”** Travelling in exceptional cases, when occasional official trips have been undertaken by means of a private vehicle.
- 1.3 **“Official Kilometres”** The kilometres travelled by an employee for official purposes within the entire municipal area, excluding trips between place of work and home.
- 1.4 **“Participant”** An employee who is permanently appointed in a transport allowance bearing position.
- 1.5 **“Policy”** the WRDM Transport Allowance Policy as agreed upon.
- 1.6 **“Total Running Costs”** The component of the transport allowance that covers the costs of maintenance and fuel, as indicated in SARS Fixed Cost Table, as amended from time to time,
- 1.7 **“Transport Allowance Bearing Position”** A qualifying position on the approved organisational structures to which a monthly transport allowance is allocated.
- 1.8 **“Vehicle”** A privately owned vehicle, excluding a motor cycle and a motor scooter, which is utilised and suitable for the execution of official duties of the employee.
- 1.9 **“Municipality”** The West Rand District Municipality
- 1.10 **“HOD”** A Senior Manager appointed in terms of the Municipal Systems Act.
- 1.11 **“Municipal Manager”** The Accounting Officer of the WRDM appointed in terms of the Municipal Systems Act.

2. PURPOSE OF THE POLICY

To provide the payment of a transport allowance in respect of the utilisation of a privately owned vehicle in the execution of official duties, regardless whether the utilisation of such transport is permanent or ad hoc.

3. OBJECTIVES OF THE POLICY

- 3.1 To determine the criteria for participation in the Policy
- 3.2 To compensate employees in a fair and reasonable manner.

4. APPLICABILITY OF THE POLICY

The Policy comes into effect on the first day of the month following the month in which it is approved by the WRDM. Period of participation will be a period of 72 (seventy two) months and will be effective for a period of 6 (six) years (72 (seventy two) months).

5. REQUIREMENTS FOR PARTICIPATION

- 5.1 Transport allowance shall be determined primarily by the duties and responsibilities of the position.
- 5.2 Positions on salary level 3 – 2 on the approved staff establishment of the West Rand District Municipality shall be deemed transport allowance bearing positions. Provided that
- 5.2.1 such positions are catered for on the approved organogram;
 - 5.2.2 the employee has a valid driver's license and owns a vehicle;
 - 5.2.3 a privately owned vehicle must be made available on a daily basis;
 - 5.2.4 no official vehicle of the WRDM shall be utilised by the employee either as a driver or a passenger.
- 5.3 Employees receiving a transport allowance for operational reasons, excluding those positions referred to in paragraph 5.2 above, must comply with the following criteria:
- a) The use of a private vehicle is required for the execution of his/her duties;
 - b) The employee has a valid driver's license;
 - c) A privately owned vehicle must be available on a daily basis;
 - d) No official vehicle of the WRDM shall be utilised by the employee either as a driver or a passenger;
 - e) The total official kilometre distance travelled, must not be less than 300 (three hundred) km and not exceeding 1 200 (one thousand two hundred) km per month;
- 5.4 An employee performing any functions which require one or more of the following, will automatically be excluded from participation in the Policy:
- a) The functions require specialised vehicles and/or equipment;
 - b) The functions necessitate the transportation of co-worker(s) and/or equipment; and
 - c) The primary functions are to transport goods and/or people
- 5.5 All employees remunerated on a Cost to Company basis, will not qualify for locomotion allowance as they structure their own packages.
- 5.6 Locomotion Allowance for all other officials will be determined by the inherent responsibilities and requirements of the job.

6. CLASSIFICATION OF TRANSPORT ALLOWANCES

Fixed allocation to level 3 – 2 employees as a tool of Trade.

- 6.1 A fixed allocation for positions 3 – 2 shall be 850km per month as a tool of trade.
- 6.1.1 The kilometer allocation of 850 km per month, are applicable to the incumbents of the positions on salary levels 3 – 2 receiving a transport allowance as a tool of trade where the incumbents of these positions automatically qualify for a monthly transport allowance without proof of official distances travelled.
- 6.1.2 The kilometers are fixed, unless:
- a) Approved otherwise, as referred to in paragraph 7.2; and
 - b) The maximum official kilometers travelled may not exceed 1 200 (one thousand two hundred) kilometers per month.
- 6.1.3 The kilometer allocations of these positions are for official trips.
- 6.2 **Positions receiving transport allowances for operational reasons**
- 6.2.1 The allowance is applicable to those positions where the criteria for participating in the Policy are complied with (refer to paragraph 5).
- 6.2.2 The allowance is based on the actual official kilometers travelled, as referred to in paragraph 7, confirmed by means of daily logs kept for a period of 3 (three) consecutive months.
- 6.2.3 The kilometer distance allocated to the position is for trips within and outside the boundaries of the WRDM.
- 6.2.4 The participant shall be compensated on an ad hoc basis for trips exceeding the fixed kilometer allocation.

7. DETERMINATION AND RE-DETERMINATION OF OFFICIAL KILOMETRE DISTANCES

7.1 Determination of Official Kilometers for New/First Time Applications

- 7.1.1 When an employee is instructed to utilize his/her private vehicle in the execution of his/her duties, and no official transport is available, the employee can complete an official application form and forward it to the Municipal Manager for approval.
- 7.1.2 After the investigation by the Municipal Manager, the request can be:
- a) Disapproved by the Municipal Manager, if it is confirmed that not all the requirements as indicated in paragraph 5 are met and the employee is informed accordingly; or
 - b) Provisionally approved by the Municipal Manager, if it is confirmed that all the requirements as indicated in paragraph 5 are met.

- 7.1.3 If provisionally approved, the employee will be informed officially by the Municipal Manager;
- a) To keep logs of the official kilometers travelled for a period of 3 (three) consecutive months, on the prescribed log sheets.
 - b) That the onus rests on the employee to insure his/her vehicle for business purposes during the period of keeping logs and that the employer will not be held liable.
 - c) Once the employee is provisionally approved, the employee must submit the 3 (three) months log sheets within a 6 (six) month period for final approval. If the employee did not submit 3 (three) consecutive months log sheet, the provisionally approval will be forfeited, and the employee must reapply for participation.
- 7.1.4 The approval must take into account the financial position of the Municipality.
- 7.1.5 The logs shall be used to determine the monthly official kilometers allocated to a position(s).
- 7.1.6 While keeping logs:
- a) Trips outside the boundaries of the WRDM shall form part of the official kilometer allocation
 - b) Trips between place of work and home do not form part of the determination of official kilometers.
- 7.1.7 Logs completed on the official log sheets of the WRDM must be submitted on a weekly basis to the Municipal Manager for verification, after it has been approved by the employee's supervisor and/or Manager.
- 7.1.8 Should the 3 (three) months period of keeping logs be interrupted by unforeseen/exceptional/unplanned absenteeism, excluding annual leave, the employee may obtain formal approval in writing from the Municipal Manager to extend the 3 (three) month period equivalent to the period of absenteeism.
- 7.1.9 After completion of the period of keeping logs, the kilometers travelled must be calculated and the employee must be officially informed of the results by the Municipal Manager.
- 7.1.10 In order to obtain the official monthly kilometers that should be allocated to the position, the total kilometers travelled during the 3 (three) months must be divided by 3 (three) and the result rounded off to the nearest 50 (fifty) kilometers, further provided that the allocated kilometers must not exceed 850km per month.

- 7.1.11 If the calculations prove that the kilometers travelled per month do not comply inter alia with the minimum or maximum kilometer requirements for participation:
- a) The position will not be included in the Policy (refer to paragraph 5),
 - b) The employee concerned must be informed officially, in writing by the Municipal Manager.
- 7.1.12 If the calculations prove that the kilometers travelled per month comply inter alia with the minimum or maximum kilometer requirements for participation, the Municipal Manager will:
- a) Officially inform the employee concerned within 1 (one) month after completion of the logs; and
 - b) Approve a report in this regard.
- 7.1.13 During the period it takes to approve the report as mentioned in paragraph 7.1.12, the employee concerned should continue to submit logs to the Municipal Manager, for compensation purposes as set out in paragraph 7.1.14, unless a municipal vehicle is utilized.
- 7.1.14 After the Municipal Manager approves the report as mentioned in paragraph 7.1.12, the employee concerned shall be remunerated as follows:
- a) The total transport allowance, as approved, from the first day of the month following the month of approval by the Municipal Manager.
- 7.1.15 The Municipal Manager, or his delegate, can verify, question and test the contents of any log sheet at any point in time while an employee is keeping logs.

7.2 Re-Determination of Official Kilometers

- 7.2.1 Should the Municipal Manager require a re-determination of the official kilometers allocated to transport allowance bearing position(s), the participant(s) concerned commences to keep logs as set out in paragraph 7.1.
- 7.2.2 Should the participant of a transport allowance bearing position require a re-determination of the official kilometers allocated to the position, a written motivation, together with an official application form, should be submitted to the relevant HOD concerned, for recommendation.
- 7.2.3 After the investigation by the HOD, the request can be:
- a) Disapproved by the Municipal Manager if the investigation does not confirm the re-determination of official kilometers and the employee is informed accordingly; or
 - b) Provisionally approved by the Municipal Manager, if the investigation confirms the re-determination of official kilometers.

- 7.2.4 If provisionally approved, the participant concerned is informed officially by the Municipal Manager, to keep logs in accordance with paragraph 7.1.
- 7.2.5 The incumbent of the transport allowance bearing position retains his/her current transport allowance for the period of keeping logs, until such time as the Municipal Manager approves the re-determined official kilometers. Once approved, implementation is effective from the first day of the month following the month of the approval.
- 7.2.6 In the case where it is ascertained, as a result of a re-determination of official kilometers, that a participant travels less than 300 (three hundred) km or more than 1200 (one thousand two hundred) km per month for official purposes, the participant:
- a) Should utilize official municipal transport; and
 - b) Should be dealt with in terms of the suspension of transport allowance criteria as set out in paragraph 13.

8. CALCULATION OF THE FIXED COSTS AND RUNNING COSTS COMPONENTS

8.1 Description of the Fixed Costs and Running Costs Components

A monthly transport allowance consists of the following 2 (two) components (Total fixed costs and running costs) as indicated in the SARS Rates.

8.1.1 Total Fixed Costs

A rate per kilometer for fixed cost shall be determined using the purchase value of the vehicle on the cost scale as per the SARS table, divided by the total distance in kilometers approved for that transport allowance bearing position for a period of 12 (twelve) months.

Provided that the purchase value of the vehicle shall be the lesser of the employees annual salary plus 13th cheque and the purchase price of the vehicle including value added tax but excluding finance charges shall be used to determine the relevant fixed scale.

8.1.2 Running Costs

A rate per kilometer for maintenance and fuel shall be obtained from the fixed cost as per the SARS table and calculated as the sum of maintenance and fuel costs cents per kilometer converted to Rand per kilometer.

8.2 Implementation of Amendments to the Fixed Costs and Running Costs Components

8.2.1 In terms of the fixed costs component:

- a) Amendments to the total fixed costs will be implemented every 3 (three) years.

8.2.2 In terms of the running costs component: Amendments to the total running costs will be implemented on the 1st of March each year following the approval of new amendment SARS Rates tables.

9. PRINCIPLES OF COMPENSATION

The following principles are applicable with regard to the payment of transport allowances:

9.1 A transport allowance for the particular calendar month shall be paid on a monthly basis.

9.2 With regard to unpaid leave:

- a) The transport allowance be reduced on a pro rata basis; and
- b) No fixed or running costs are payable during this period, unless the WRDM resolves otherwise.

9.3 With regard to maternity leave, only fixed costs are payable for the applicable period.

9.4 With regard to sick leave, the following is applicable:

- a) Full-paid sick leave: full transport allowance is payable.
- b) Unpaid sick leave: no fixed or running costs are payable, unless the WRDM resolves otherwise.

10. FINANCING / LOANS

No internal vehicle loans will be provided.

11. AD HOC REIMBURSEMENT

11.1 Ad hoc reimbursement is payable in cases where occasional official trips are undertaken by means of private transport by permanently appointed employees.

11.2 ALL TRANSPORT ALLOWANCE BEARING POSITIONS (MANAGEMENT TOOLS OF TRADE POSITIONS AND OPERATIONAL POSITIONS)

11.2.1 Ad hoc remuneration is payable for official trips when the monthly kilometer allocation of the position is exceeded.

11.2.2 Ad hoc claims must be submitted for payment within the period of two calendar months from the date of recording the first trip, after exceeding the fixed monthly kilometer allocation of the position; If not, payment will be forfeited.

11.2.3 Claims for ad-hoc trips must be completed on the official claim form certifying the purpose of the trip and the actual kilometers travelled, approved by the relevant Municipal Manager and forwarded to the Finance Department.

11.2.4 Trips between place of work and home shall not form part of ad hoc remuneration.

11.3 NON-TRANSPORT ALLOWANCE BEARING POSITIONS

11.3.1 Claims for ad hoc trips must be completed on the official claim form certifying the purpose of the trip and the actual kilometers travelled, approved by the Municipal Manager and forwarded to the Finance Department.

11.3.2 Ad hoc claims must be submitted for payment within the period of two calendar months from the date of recording the first trip. If not, payment will be forfeited.

11.3.3 Trips between place of work and home shall not form part of the ad hoc claims.

11.3.4 Approved ad hoc claims for non-transport allowance bearing position shall be paid with reference to the Department of Transport Tariffs for use of motor vehicles.

11.4 PAYMENT OF AD HOC CLAIMS FOR TRANSPORT ALLOWANCE BEARING POSITIONS

The payment of ad hoc claims for transport allowance bearing positions shall be paid using the simplified method for distances less than 8 000 kilometers at a rate per kilometer as approved by SARS.

12. TRANSPORT ALLOWANCE WHEN ACTING

12.1 A participant of a transport allowance bearing position who temporarily acts in a permanent transport allowance bearing position on a higher salary level, will only receive the transport allowance applicable to his/her own position.

12.2 An employee of a non-transport allowance bearing position who temporarily acts in a permanent transport allowance bearing position, and if he/she provides a privately owned vehicle for the acting period, be remunerated on an ad hoc basis as provided for in 11.4.

13. SUSPENSION OF TRANSPORT ALLOWANCES

13.1 A participant occupying a transport allowance bearing position whom requests to be permanently transferred to a non-transport allowance bearing position, will forfeit the transport allowance from the date of transfer.

13.2 The Municipal Manager may resolve to rescind a participant's transport allowance, in the following cases:

- a) Where a participant in a transport allowance bearing position without his/her request be transferred to a non-transport allowance bearing position; or
- b) Where the job contents of a transport allowance bearing position change to such an extent that it will have an effect on the allocation of the transport allowance.

- 13.3 After consultation between the Municipal Manager and the participant concerned, a report be submitted to the Municipal Manager for approval, after which a written notice be given that the termination of the transport allowance be effective after a period of 6 (six) months.
- 13.4 Where an incumbent of a transport allowance bearing position is injured to such an extent that he/she is unable to drive on a permanent basis, the WRDM may resolve that:
- a) The payment of his/her allowance be based on the fixed costs component until his/her vehicle loan is redeemed in full, after which no transport allowance be payable to such an employee.

14. TRANSITIONAL ARRANGEMENTS

The Municipality must give all employees on any other Transport Allowance Policy, notice of the suspension or termination of their transport allowance in terms of the provisions of their Transportation Allowance Policy concerned, after which suspension/ termination period, the employees concerned may be placed on this Transport Allowance Policy, subject to the provisions of this Policy.

15. SECURING OF RISKS

The onus shall ultimately rest on the participant to ensure that the vehicle is comprehensively insured for business purposes and the WRDM shall not attract any liability of whatsoever nature in the case of the vehicle being damaged, destroyed or stolen.

16. RELINQUISHING OF RIGHTS

- 16.1 Should any party neglect to act against the other party regarding the non-compliance of this agreement or should one party extend leniency, this shall not be construed as a waiver of rights in terms of the agreement. It shall also not be prejudicial to that party in future actions.
- 16.2 The failure of the Municipality to strictly enforce the terms of this agreement against the participant in any one instance shall not be construed as a waiver by the Municipality of any of its rights in terms of the agreement and shall not prejudice the Municipality to act against such participant at any later stage.

17. ONLY AGREEMENT

This agreement contains the full agreement between the parties and any stipulations, provisions or conditions, whether specific or by implication not included in this agreement are excluded and any variation, change or addition to this agreement is null and void and bears no legal rights unless it is otherwise agreed and it is put in writing and signed by the parties to this agreement.

