



**VEHICLE TRANSPORT
ALLOWANCE POLICY
2021/22**

Table of Contents

Pg

| | |
|-----------------------------|---|
| 1. Objectives | 2 |
| 2. Restriction | 2 |
| 3. Definitions | 2 |
| 4. Qualifying Employees | 3 |
| 5. Exclusions | 3 |
| 6. Calculation of Benefit | 4 |
| 7. Conditions | 5 |
| 8. Participation | 5 |
| 9. Administration of Policy | 5 |
| 10. Amendments | 6 |
| 11. Effective Date | 6 |

1. **OBJECTIVES**

The objective of the Vehicle Transport Allowance scheme Policy is to regulate the remuneration of employees for the use of their own vehicles during the execution of their duties as employees of the Cederberg Municipality.

2. **RESTRICTION**

The Vehicle Transport Allowance Scheme Policy is applicable to posts where the designated employee performs such functions and responsibilities.

3. **DEFINITIONS**

“Benefit”- means the monetary value of the remuneration that is calculated by the application of the scheme determined herein;

“Employer “- Cederberg Municipality represented by the properly appointed accounting officer, being the Municipal Manager of the Cederberg Municipality, vested with full powers to delegate in order to execute this policy;

“Fixed cost” – fixed monetary value as determine for various T-grade irrespective of the number of kilometres travelled;

“Fixed Term”- means the time frame of three years where the time frame coincides with the municipal financial year that starts 01 July and end on 30 June after a period of 36 months;

“Municipal Area”- means the area of Cederberg Municipality in terms of the Demarcation Board’s (WC012) latest proclaimed area;

“Official Transport”- means transport supplied by the Cederberg Municipality, such vehicle being either the property of the municipality or a contracted service provider and used for official purposes in the execution of the municipal employee’s duties;

“Officials Trips”- means trips undertaken to execute the employee’s duties of related obligations and any trips undertaken with the expressed and prior obtained permission of the Municipal Manager or his/her duly authorised representative;

“Official Use” – means the recorded distances covered during the execution of the official duties within the municipal boundaries of WC012;

“Outside of the Municipal Area”- means destinations outside of the Municipal area, which have to be visited for official purposes;

“Qualifying post” – means a position in the approved organogram records and as indicated by the Municipal Manager from time to time as a qualifying position for remuneration as intended by the policy and where the content of the relevant post has been evaluated by TASK;

“Revised Subsidy Basis”- Means the revised subsidy basis value that is determined with the changing of the post level of the employee, which forms the subsidy basis for the balance of the relevant year; and

“Running cost”- as prescribe by essential user scheme (norm vehicle 1400 – 1600) for travelling outside the boundaries of the municipality

4. QUALIFYING EMPLOYEES

Only employees using their own transport to perform official duties and responsibilities qualify for a benefit in terms of this policy.

5. EXCLUSIONS

5.1. No employee who does not qualify in terms of the definitions as per section 3 will be considered for the benefit as meant herein.

5.2. Qualifying employees may not make use of official transport for official visits outside the Cederberg Municipal area, except with the prior approval of Municipal Manager or relevant Director.

5.3. Distances between the employee’s home and his/ her workplace are not considered to be distance travelled for official use.

5.4. The Employer shall not make any contribution for insurance, maintenance, repairs or replacement to the employee's vehicle.

6. CALCULATION OF BENEFIT

6.1. Running Cost: Official trips taken outside of the municipal area will only be compensated for at the running cost as determined for the norm vehicle.

6.2. Revision of the Fixed and Running Cost Components: The fixed cost is revised on the 1st day of the month following the end of the 36th month period and will be adjusted based on the National Bargaining Councils basic salary and wage adjustment for that specific year. A three (3) year cycle applies, starting from **01 July 2022**, during the 3 year cycle. The fixed cost allowance is not adjusted. In other words, the first increase of the fixed cost will be as from the **1st of July 2025**, the next **1st of July 2028** and so on. Employee commencing after the start date of a cycle; whether a new appointment or promotion; will be remunerated based on the fixed rate applicable to already qualifying officials at the date of appointment or promotion. The newly appointed or promoted employee will qualify for increases as on the dates already mentioned above. The running cost component of this benefit for officials' trips outside the municipal area shall be revised and implemented as determine by the Bargaining Council from time to time.

6.3. Fixed cost allowance: The fixed cost allowance payable to qualifying employees is from **01 July 2022** as follow:

| Post level | Fixed monetary |
|----------------------|--|
| T16 and higher | R 8 000.00 |
| T14-15 | R 7 500.00 |
| T13 and lower | will be compensated in terms of the prevailing essential vehicle allowance scheme of the SALGBC |

7. CONDITIONS

- 7.1. The employee unconditionally accepts the terms and conditions of this policy, read together with other policies, regulations or laws that the administration of said benefit may determine and control.
- 7.2. Any contravention of this policy of any other regulation, condition or code of conduct that relates to the policy will be dealt with in terms of the relevant disciplinary procedure.

8. PARTICIPATION

Qualifying employees shall receive the benefit if:

- 8.1. A proper application was submitted and the approved by the employer at the beginning of each financial year;
- 8.2. Should the employee, for whatever reason, not be able to make his/her vehicle available for official duties for more than one day, he/she must prove prior written notice of the reason to his/her director (e.g. car is being services, repaired, etc.); and
- 8.3. The employee must be at work every day with his/her private sedan vehicle and be available for official use.
- 8.4. An employee who receive the benefit may not drive an official vehicle within the Municipal Boundaries while executive his or her daily official duties;
- 8.5. The employee must be in possession of a valid driver's license.

9. ADMINISTRATION OF POLICY

The Municipal Manager shall be responsible for the administration and enforcement of this policy, provided that he or she may delegate any of his/her functions or duties hereunder to another member of staff of the Municipality.

10. AMENDMENTS

The Council may, from time to time, amend this policy and introduce any measure(s) to ensure efficient, economic and effective management of Council resources.

11. EFFECTIVE DATE

This Policy will become effective upon approval thereof by the Council of Cederberg Municipality.