



## VEHICLE ALLOWANCE POLICY

### JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

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**MUNICIPAL MANAGER**

**SPEAKER**

**Ms P Q Mogatle**

**Speaker**

# JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY



## VEHICLE ALLOWANCE POLICY 2020/2021

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## 1. PREAMBLE

This policy is aiming at providing Middle Managers whose work does not necessarily involve extensive traveling but the vehicle is relatively referred to as a tool of trade. Other employees whose work requires extensive travelling will also be covered by this policy as well.

## 2. PURPOSE

The purpose of this policy is to ensure that, Middle Managers and those whose work requires them to travel and perform their work without causing any inconvenience to JTGDGM by participating in pool vehicles.

To assist employees to acquire and maintain a vehicle in line with market related remuneration practices.

## 3. DEFINITIONS

- i. JTGDGM: John Taolo Gaetsewe District Municipality
- ii. Middle Managers: salary level 3 employees
- iii. Other Employees: salary level and below

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**Note:** All terminology used in the policy will bear the same meaning as in the applicable legislations, regulations and Collective Agreements.

## 3. SCOPE OF APPLICATION

3.1 All Middle Managers are eligible to participate in JTGDGM vehicle allowance policy.

3.2 For all middle management participation in the vehicle policy will be automatic.

3.3 Participation for other officials other than middle managers in the policy will

be determined on the basis of job requirements and job function, without any discrimination on the basis of age, sex, race, disability or any form of

discrimination.

3.4 All employees participating in this policy may not make use of an official vehicle for JTGDM business other than through the provided vehicle purchased under this policy.

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#### **4. ACTIONS**

##### **4.1 General**

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- 4.1.1 Participating employees, participating in the vehicle allowance policy will be informed in writing of their participation and supplied with written information about the conditions under which this participation will be subjected to.
- 4.1.2 Authorisation: Before any participant is admitted to the vehicle allowance the recommendation for participation must first be submitted by the immediate supervisor to the relevant Director and for final approval by the Municipal Manager.
- 4.1.3 The employee must submit a copy of a contract with a bank to JTGDM as a proof of purchase of a vehicle.
- 4.1.4 Individuals have the total responsibility for maintaining accurate financial records including costs and all their dealings with the South African Revenue Services (SARS),
- 4.2 Specific Qualifying Criteria for employees who are not on Grade 3
  - 4.2.1 All employees will qualify for the vehicle allowance if his or her job requires of him / her to travel more than 12 000 official kilometres per annum.
  - 4.2.2 It is the responsibility of the respective Department to ensure that both the official and/or the nominated driver have a valid driver's license.
  - 4.2.3 An official may not loan, or permit any person to make use of his/her official vehicle for official purposes in his/her absence.
  - 4.2.4 Applicants must submit the following information in addition to the form, which so he certified by the Head of Department:-
    - i. A copy of the applicant's identity document, latest salary advice and drivers' license.
    - ii. The record of kilometre travelled with privately owned vehicle for approved official service for the previous six months.

Every application to participate in the vehicle allowance policy must be evaluated as a new application.

#### **4.3 Rules governing transport allowance:**

- i. A member is obliged to maintain a reliable vehicle to be utilised for official journeys (when necessary).
- ii. A member may purchase/lease a new or reliable pre-owned vehicle.
- iii. No time frames exist when a vehicle should be replaced.
- iv. The member must at all times have his or her vehicle (or a substitute) available for official journeys.
- v. A member must obtain and maintain comprehensive insurance on the vehicle, and is fully responsible for all running and maintenance costs and the cost of registration and licensing of the vehicle.
- vi. A member may not utilize in the JTGDM pool vehicle.
- vii. Any journey between a member's home and usual place of work constitutes a private journey.
- viii. As far as possible, a member is obliged to provide free transport to official passengers to the same destination on an official journey.

#### ***Note:***

A disabled official who due to such disability does not qualify for a driver's license in terms of the provisions of the regulations promulgated in terms of the National Road Transport Act or in terms of any other law with a purpose similar to that of the National Road Transportation Act will not be required to for a driver's license, but will, instead be permitted to submit the names of drivers who shall have valid drivers' licenses.

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#### ***4.3.1 Policy Provisions***

All qualifying employees shall be entitled to the following in addition to their monthly salary for the purpose of acquiring and maintaining an official vehicle under this vehicle allowance policy:

- i. Allowance Amount

- ii. Transport Allowance: 15% of basic salary

#### *4.3.1.1 Benefits*

All participants will be paid a monthly vehicle allowance together with their monthly salaries. The allowance provides that:

- i. The line manager must know that the employee is participating in this policy.
- ii. An employee will acquire/purchase a vehicle of his/her choice preferably within the limitation of the monthly allowance. Consideration shall be given to the conditions of the roads to be travelled.
- iii. An employee will be responsible for securing motor vehicle finance from any credible banking institution and shall be responsible for the payment of any instalments, licensing costs and interest on the vehicle purchased. In addition to the above, participants will be responsible for insuring their vehicles (e.g. accident, theft, riot cover etc).

The official utilization period for a vehicle under this policy shall be a maximum of 60 months.

An official whose duties temporarily change rendering his or her current vehicle unsuitable for a specific duty may apply for temporary relief transport from the Municipal Manager via his/her respective Director.

#### *4.3.1.2 Kilometers Claims*

- i. Kilometers Claims are official kilometres travelled on a monthly basis.
- ii. All official trips shall be subject to prior approval by the immediate supervisor who shall further recommend payments for official kilometer claims.
- iii. Payments for claims shall be made in accordance with the current Travel and Subsistence Policy.
- iv. Traveling Itineraries approved prior by the immediate supervisor, endorsed by the relevant Director.
- v. Written reports for each official trip taken.

#### **4.4 Entitlement**

- i. All Line Managers involved in recruitment and job offers must ensure that discussions concerning vehicle allowance are in accordance with the current JTGDM vehicle allowance policy provisions.

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- ii. It must be explained to participants that participation in the vehicle allowance policy is a benefit that is applicable at JTGDM discretion and managed within stipulated rules and regulations.

#### **4.5 Termination of Employment**

- i. On termination of employment JTGDM will accept no further liabilities, costs or obligations in respect of the resigning employees motor vehicle that it does not directly own.
- ii. The employee owns the vehicle and therefore remains absolutely with obligation towards the vehicle.

#### **5. STATUTORY AUTHORIZATION**

- i. Basic Conditions of Employment Act and Labour Relations Act.
- ii. Travel and Subsistence policy of the John Taolo Gaetsewe District Municipality.
- iii. Department of Transport tariffs

#### **6. POLICY PROVISIONS**

JTGDM Middle Managers and other employees are eligible for participation in the vehicle allowance policy.

#### **7. PERSONAL LOANS OR ALLOWANCES**

No personal loans or advances will be approved for any travel related problems (e.g. maintenance, tyres, accidents etc.) experienced by the members participating in this policy.

#### **8. MONITORING, EVALUATION AND REPORTING**

The office of the Municipal Manager shall monitor the implementation and evaluate this policy.

#### **9. POLICY REVIEW**

This policy will be reviewed annually.

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