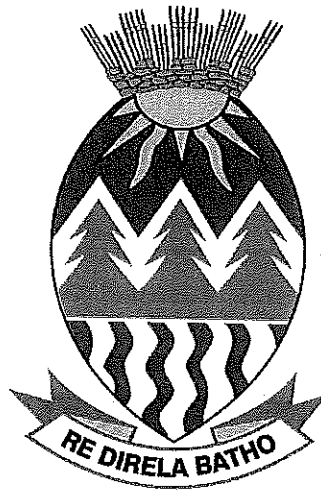


THABA CHWEU LOCAL MUNICIPALITY



ALLOWANCES POLICY

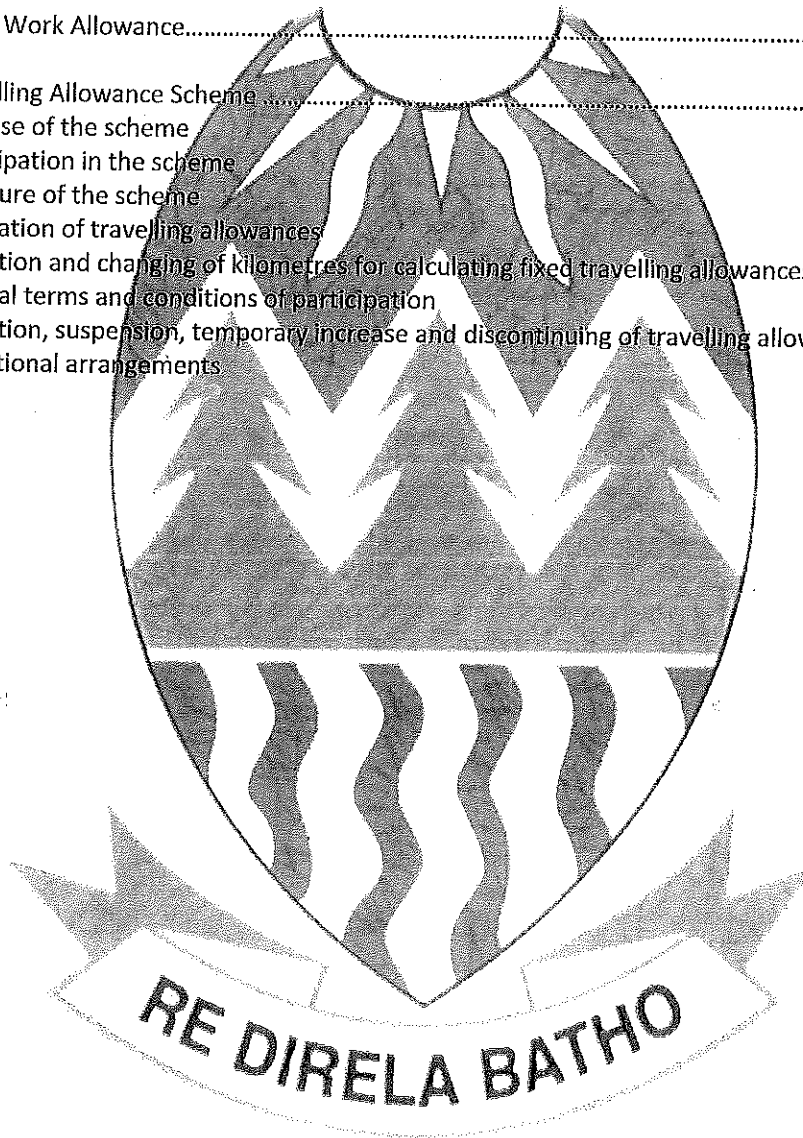
REVIEWED VOLUME 2

13 DECEMBER 2022

ALLOWANCES POLICY

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1. MOBILE TELEPHONE ALLOWANCES

- 1.1 The purpose of this policy is to regulate matters related to the Municipality's mobile telephone allowance scheme.
- 1.2 The purpose of the scheme is to ensure that appropriate officials of the municipal administration have suitable access to mobile telephone to assist the municipality as a whole in achieving an efficient and effective and responsive municipal administration.
- 1.3 The Municipal Manager and all section 57 Employees shall, with due regard to the provisions of the Performance Regulations for Municipal Managers and those Managers directly accountable to the Municipal Manager, automatically be entitled to participate in the Mobile Telephone Allowance Scheme of the Municipality.
- 1.4 The Municipal Manager may, after consultation with the Directors responsible for financial and human resource management and the departmental head concerned, designate on the basis of the operational needs of the municipality, which other positions in the municipal staff establishment shall be designated as positions requiring to be provided mobile telephone allowance.
- 1.5 Employees in positions designated as per clause 1.4 above shall receive a monthly amount of R1500, 00 mobile telephone allowance.
- 1.6 The Municipal Manager shall, in consultation with the Directors responsible for financial and human resource management and the departmental heads concerned review the positions requiring mobile telephone for operational considerations annually and suitability of the packages contained in 1.5
- 1.7 All employees receiving the mobile telephone allowance shall ensure that they are available on their mobile phone at all reasonable times and ensure, within a reason, that they have airtime available throughout the month.

2. ENTERTAINMENT ALLOWANCE

- 2.1 The Municipality does not pay an entertainment allowance to any employee.

3. STAND-BY ALLOWANCE

- 3.1 When an employee, by resolution of the Municipality, makes himself available on a stand-by basis for active service outside normal working hours, he/ she shall be entitled to a stand-by allowance calculated on the following basis:
 - 3.1.1 The stand-by allowance tariff = 20% of annual basic salary of incumbent ÷ 250 ÷ 8.
 - 3.1.2 Stand-by allowance is payable per hour and shall be calculated as follows:

Monday – Friday: 1x hourly tariff x number of hours

Saturday: 1.5 x hourly tariff x number of hours

Sunday and Public Holidays: 2 × hourly tariff × number of hours

- 3.2 An employee on stand-by duty called out to perform actual work shall be paid at the appropriate rate of overtime as determined in this Agreement.
- 3.3 In terms of the employer's Transport Allowance Scheme, normal tariffs shall be paid to employees for actual kilometres from home covered for standby.
- 3.4 An employee on stand-by duty called out to perform actual work shall be paid at the (AA) rate for travelling from work and from work to home.

4. **SHIFT ALLOWANCE**

- 4.1 The allowance is equal to 20%, for post level 15 to post level 10 on the Van der Merwe job evaluation system (or the equivalent posts on TASK job evaluation system) of the employee's annual basic salary and is payable monthly.
- 4.2 The allowance is equal to 10%, for post level 9 to post level 1 of the employee's annual basic salary and is payable monthly.
- 4.3 Employees who receive shift allowance are not entitled to receive night work allowance.

5. **NIGHT WORK ALLOWANCE**

- 5.1 A night work allowance of ten rands (R10.00) per hour shall be paid for night work performed. This amount will be increased annually in accordance with the same percentage salary increases as agreed upon at the Central Council of the SALGBC.
- 5.2 The provisions governing night work, as set out in the Basic Conditions of Employment Act (No 75 of 1997), will apply. (Work performed after 18:00 and before 06:00 the next day)

6. **TRAVELLING ALLOWANCE SCHEME**

The travelling allowance scheme on the SALGBC that came into operation on 1 August 1994 is the Municipality's travelling scheme. The requirements explained hereunder are to clarify the scheme to participants. If any inconsistencies exist between the policy and the SALGBC Agreement the SALGBC Agreement determinations will be applicable.

6.1 Purpose of the Scheme

The purpose of the scheme is to fairly compensate employees who use their privately owned vehicles on official business for the cost incurred by them.

6.2 Participation in the scheme

- a) The incumbent in a position identified in paragraph (c) must supply and use a vehicle for the proper performance of his / her functions, exercise of her / his powers and discharge of her / his duties
- b) The incumbent in a position referred to in paragraph (c) (iii) is entitled to participate in this scheme, subject to the terms and conditions stipulated herein.

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c) The following persons must supply and use a vehicle for the proper performance of their functions, exercise of their powers and discharge of their duties:

- (i) The incumbent in any other position who is required to regularly travel on the official business of the Municipality.
- (ii) All other employees, who do not form part of the employees mentioned in (iii) above must apply for a travelling allowance, stating the reasons for their application on a memorandum and submit to Human Resources Division for consideration by the LLF subcommittee on allowances.

6.3 Structure of the scheme.

A person occupying a position referred to in paragraph 6.2 (c) (iii) is entitled to a travelling allowance in terms of this scheme. A travelling allowance in terms of this scheme consists of two parts, namely –

- a) A fixed monthly travelling allowance; and
- b) A running / variable travelling allowance

6.4 Calculation of travelling allowances

The calculation of the travelling allowances is done in terms of the SALGBC Collective Agreement.

6.5 Allocation and changing of kilometres for calculating fixed travelling allowances

- a) The total amount of kilometres per month in respect of which a participant is entitled to receive a non-accountable fixed travelling allowance shall be as follows

-Deputy Directors- R16 000-00
-Mangers -R14 000-00
-category 1 - R11 000-00
-category 2 – R9 000-00

The Municipal Manager/ Director Corporate Services may at any stage require an employee who receives a travelling allowance to keep log sheets for a period of 4 months to review an employee's allocation.

- b) "Non –accountable" in relation to a fixed monthly travelling allowance means that the recipient is not required to provide proof of the distance travelled in order to receive payment of the allowance. These are the incumbents listed in 6.2 (c)
- c) Whenever a participant, during four or more consecutive months, travels more than the allocated distances in terms of paragraph (a) on official business within the municipal area, the Municipal Manager may, upon receipt of proof to that effect, increase the amount of kilometres in respect of that participant in its discretion.
- d) The Municipal Manager may at the time require any participant to keep a log book of all journeys she / he undertakes on official business within the municipal area and to submit such logbook, after it has been certified by the relevant manager.
- e) The Municipal Manager may, upon receipt of a report of a committee contemplated in paragraph 6.2 (c) (iv)-
 - i) Increase the amount of kilometres allocated to a participant for the purpose of calculating her/ his fixed monthly travelling allowance; or

- ii) Decrease the amount of kilometres allocated to a participant for the purpose of calculating her / his fixed monthly travelling allowance.
- f) Any increase or decrease in a participant's fixed monthly travelling allowance comes into operation on the first day of the month following the month during which the increase or decrease, as the case may be, has been approved.

6.6 General terms and conditions of participation

- a) A non-accountable fixed monthly travelling allowance is payable together with her / his salary to every participant in the scheme in respect of authorised journeys on official business within the municipal area.
- b) A participant in this scheme shall not without the prior written approval of her / his departmental head use a vehicle of the Municipality to undertake journeys on official business.
- c) The choice of vehicle to be used under this scheme is the sole discretion of the employer provided that such vehicle must be suitable for the purpose for which it is supplied.
- d) A vehicle purchased under this scheme must be registered in the participant's name.
- e) A participant is responsible for the full cost of travelling, maintenance, insurance, licensing and registration of any vehicle under this scheme.
- f) Employee's tax as determined from time to time in terms of relevant legislation must be deducted from a participant's travelling allowance and paid over to SARS.
- g) A participant remains entitled to and must be paid the full amount of his / her fixed monthly travelling allowance during any period of absence on leave with full pay.
- h) A participant is, in respect of approved journeys within the municipal area exceeding the amount of kilometres allocated in respect of approved journeys on the official business of the Municipality outside the municipal area entitled to a running/ variable allowance calculated in terms of SARS (R3.18) which changes from time to time.
- i) Any travelling allowance in terms of this scheme is, after deduction of any taxes as may be prescribed, payable monthly in arrears into a bank account designated by the participant concerned together with the participant's salary.

6.7 Reduction, suspension, temporary increase in and discontinuing of travelling allowance.

- a) Whenever it is established that a participant in the scheme did not travel the allocated amount of kilometres during two or more consecutive months, the municipal Manager may, in his / her sole discretion, reduce the number of kilometres allocated to that participant in respect of which she / he receives a fixed monthly travelling allowance.
- b) Whenever a participant ceases to occupy the position in which she / he qualified for participation in the scheme, the payment to her / him of a fixed travelling allowance must be discontinued with effect from the first day of the month following the month during which she / he ceased to occupy such position.
- c) Whenever a participant is promoted or demoted to another position in which the incumbent qualifies for participation in this scheme but the fixed travelling allowance of such other position is calculated in a different manner, his/her benefits must be increased or decreased, as the case may be, to the level of the benefits linked to that other position with effect from the first day of the month following the month during which she / he was promoted or demoted.

- d) A participant's fixed travelling allowance must be reduced pro rata for the number of days that the participant concerned was absent from work-
- (i) due to her / his participation in a strike or other industrial action;
 - (ii) on unpaid leave; or
 - (iii) due to his / her suspension without pay as an alternative to her, his dismissal.
- e) Whenever a participant acts in another position in respect of which a higher fixed travelling allowance is payable for a continuous period of more than 10 working days, his / her fixed monthly travelling allowance must be increased by adding for every working day during which she / he so acts an amount equal to the difference of his / her daily fixed travelling allowance and daily fixed travelling allowance of the person in whose position she / he is acting.
- f) Whenever it is suspected at any time that a participant -
- (i) Claimed a travelling allowance in a dishonest manner; or
 - (ii) Falsified a log book which she / he was required to keep in terms of this scheme.
- g) The Municipal Manager, or if the Municipal Manager is involved, the Executive Mayor, must immediately institute disciplinary action against the participant concerned and recover any amount as determined during such disciplinary proceedings which were paid to or in favour of such participant.
- h) Whenever it is suspected at any time that a manager-
- (i) Recommended or approved the participation in the scheme of any employee who is not entitled thereto; or
 - (ii) Certified a log book or travelling claim of a subordinate employee as correct whilst it was not.

The Municipal Manager, or if the Municipal Manager is involved, the Mayor, must immediately institute disciplinary action against the manager concerned and may recover any amount as determined during such disciplinary proceedings which were made as a result of such recommendation, approval or certification on the manager concerned or the person who benefited from it.

6.8 Transitional arrangements

A participant whose travelling allowance must be reduced or terminated as a result of amendments to the policy in place before coming into effect of this policy shall continue to receive the allowance until termination of the motor vehicle finance agreement used to allocate him or her the travelling allowance.

7. Policy review

The policy shall be reviewed after one year.

Policy Name :	ALLOWANCES POLICY
Council Resolution Number:	A183/2022 and A184/2022
Council Date:	13 December 2022
Initials and Surname:	MP MANKGA
Designation:	ACTING MUNICIPAL MANAGER
Signature:	