



HUMAN RESOURCE POLICY ALLOWANCES

Policy No: NLMHREB001	Effective Date: 01 April 2008
Approved:	Review Date: 01 April 2009

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary, subject to Labour Law Dispensation or operational requirements.

1. SCOPE

This policy applies to eligible Ngwathe Municipality staff.

2. PREAMBLE

This policy must be read in conjunction with the SALGBC Conditions of Service Collective Bargaining Agreement (such reference document is contained at the end of this manual).

3. POLICY

3.1 Entertainment Allowance

3.1.1 The municipality does not pay an entertainment allowance to any employee as part of his/her salary.

3.1.2 The manager responsible for financial management must, in consultation with the municipal manager, in each operating budget provide for entertainment expenses to be incurred by the municipal manager and departmental heads.

3.2 Stand-By Allowance

3.2.1 When an employee, by resolution of the departmental head concerned, makes her/him available on stand-by for active overtime duty outside normal working hours, he is entitled to a stand-by allowance.

3.2.2 A stand-by allowance shall not be incorporated into or written off against any remuneration for overtime worked.

3.2.3 A stand-by allowance shall be calculated as follows:

3.2.3.1 an hour's wage for every week day and Saturday that is not a public holiday during which the employee was available on stand-by duty plus

3.2.3.2 two hours wage for every Sunday or public holiday during which the employee was available on stand-by duty.

3.2.4 A stand-by allowance must be paid together with an employee's salary for the month during which she/he performed stand-by duty.

3.3 Night Work Allowance

3.3.1 An employee whose normal work requires that she/he works between 18:00 on one day and 06:00 of the next day is entitled to a night work allowance.

3.3.2 A night work allowance shall be calculated as follows:

3.3.2.1 an hour's wage for every week day and Saturday that is not a public holiday during which the employee performed night work plus

3.3.2.2 two hours wage for every Sunday or public holiday during which the employee performed night work.

3.3.3 A night work allowance must be paid together with an employee's salary for the month during which she/he performed night work.

3.4 Home-Owner's Allowance (Housing Subsidy)

A separate policy covers this allowance and should be read in conjunction with this policy.

3.5 Car Scheme Allowance and Travelling Allowance

This allowance component should be read in conjunction with the Subsistence and Travelling Allowance Policy where applicable:

3.5.1 Purpose of the scheme

The purpose of the scheme is to-

3.5.1.1 assist those employees of the municipality who are required to supply and use a vehicle for the proper performance of their functions, exercise of their powers and discharge of their duties to acquire a vehicle and

3.5.1.2 fairly compensate employees who use their privately owned vehicles on the official business of the municipality for the cost incurred by them.

3.5.2 Participation in the scheme

3.5.2.1 The incumbent in a position identified in paragraph 3.5.1 must supply and use a vehicle for the proper performance of her/his functions, exercise of her/his powers and discharge of her/his duties.

3.5.2.2 The incumbent in a position referred to in paragraph 3.5.1 is entitled to participate in this scheme, subject to the terms and conditions stipulated here-in.

3.5.2.3 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 Deputy Directors or equivalent post level (PL-02);
- (ii) The Assistant Directors or equivalent post level (PL-03)
- (iii) The incumbent in any other position who is required to regularly travel on the official business of the municipality and designated by the municipal manager after consultation with the relevant departmental head and the manager responsible for financial management.

3.5.3 Structure of the scheme

The scheme consists of two parts, namely-

3.5.3.1 A fixed monthly travelling allowance and

3.5.3.2 A variable travelling allowance

3.5.4 Calculation of travelling allowances

3.5.4.1 The fixed monthly travelling allowance to which a participant is entitled in terms of this scheme is calculated as follows:

$$(A + B) \times C = D$$

Where:-

- A represents the amount read off against the participant's annual basic salary at the time of her/him obtaining a loan in terms of this scheme in the 10 000 km column of "Table A – Estimated Average Fixed Cost" published from time to time by the Automobile Association of Southern Africa
- B represents the total running cost for a vehicle with an engine capacity of 2000 cc reflected in "Table B – Petrol: Estimated average running cost" published from time to time by the Automobile Association of Southern Africa
- C represents the number of kilometres allocated to the particular participant and
- D represents the fixed monthly travelling allowance payable to a participant.

3.5.4.2 The fixed daily travelling allowance to which a participant is entitled in terms of this scheme is calculated by dividing the participant's fixed monthly travelling allowance (D) in terms of paragraph 3.5.2 by the factor 21.

3.5.4.3 The variable travelling allowance to which a participant is entitled is calculated as follows:

$$E \times F = G$$

Where:-

- E represents the total running cost for a vehicle with an engine capacity of 2000 cc reflected in "Table B – Petrol: Estimated average running cost" published from time to time by the Automobile Association of Southern Africa

- F represents the number of kilometres travelled on approved journeys within the municipal area by a participant during any month in addition to the number of kilometres in respect of which she/he receives a fixed travelling allowance and/or on approved journeys on the official business of the municipality outside the municipal area and
- G represents the total variable travelling allowance of a participant during any month.

3.5.5 Allocation and changing of kilometres for calculating fixed travelling allowances

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

- (i) Municipal Manager : 850 km/month
- (ii) Manager directly accountable to the municipal manager 750 km/month
- (iii) An employee referred to in paragraph 3.5.2.3 (iii) 650 km/month

3.5.5.2 “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.

3.5.5.3 Whenever a participant, during two or more consecutive months, travels more than the allocated distance in terms of paragraph 3.5.5.1 on the official business of the municipality within the municipal area, the council may, upon receipt of proof to that effect, increase the amount of kilometres in respect of that participant in its discretion.

3.5.5.4 The municipality may at time require any participant to keep a log book of all journeys she/he undertakes on the official business of the municipality within the municipal area and to submit such log book, after it has been certified by the relevant manager or, in the case of the municipal manager, by the executive mayor, to a committee designated by the council.

3.5.5.5 The council may, upon receipt of a report of a committee contemplated in paragraph 3.5.5.4, -

- (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.

3.5.5.6 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.

3.5.6 General terms and conditions of participation

- (i) 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 the official business of the municipality within the municipal area.
- (ii) A participant in this scheme shall not without the prior written approval of her/his departmental head or, if she/he is a departmental head, the municipal manager uses a vehicle of the municipality to undertake journeys on the official business of the municipality.
- (iii) The choice of vehicle to be used under this scheme is in the sole discretion of the participant concerned provided that such vehicle must be suitable for the purpose for which it is supplied.

- (iv) A participant is responsible for the full cost of travelling, maintenance, insurance, licensing and registration of any vehicle under this scheme.
- (v) 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 the South African Revenue Service.
- (vi) Subject to the provisions of paragraph 3.5.5 a participant remains entitled to and must be paid the full amount of her/his fixed monthly travelling allowance during any period of absence on leave with full pay.
- (vii) A participant is, in respect of approved journeys within the municipal area exceeding the amount of kilometres allocated in terms of paragraph 3.5.5.1 and in respect of approved journeys on the official business of the municipality outside the municipal area entitled to a variable travelling allowance calculated in terms of paragraph 3.5.4.3.
- (viii) Any travelling allowance in terms of this scheme is, after deduction of any taxes as may be prescribed and the participant's instalment on the paying of her/his loan, payable monthly in arrears into a bank account designated by the participant concerned together with the participant's salary.

3.6 Acting in Another/Higher Position

Any allowance paid to an employee who is required to act in another or higher position would be payable in terms of a separate policy and the Policy on Acting in Another/Higher Position should be read in conjunction with this policy.

4. AUTHORITY

Formulation Policy	:	Municipal Manager
Authorisation Policy	:	Council
Ownership and Maintenance Manager	:	Director Corporate Services