

# MOTOR VEHICLE ALLOWANCE SCHEME POLICY



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**MAYORAL COMMITTEE 347/04/13**

**RAADSBESLUIT DC 46/08/08: GOEDGEKEUR 29 AUGUSTUS 2008/**

**COUNCIL RESOLUTION DC 46/08/08: APPROVED 29 AUGUST 2008**

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## **1. PURPOSE**

- 1.1 To reimburse employees which use their own transport in order to fulfill his of her duties as an employee of Eden District Municipality.

## **2. DEFENITIONS**

<b>Council</b>	means Eden, represented by the Municipal Manager as Category 4 Local Authority with the salary scale of a Category 4 Local Authority.
<b>Enclosed area</b>	means the area within 10 kilometer radius of the work station of an employee.
<b>Employee</b>	means a person permanently appointed on the staff. Establishment of Eden who receives remuneration in the form of a basic salary and other benefits and participates in the scheme; means the owner of the vehicle who is in possession of a valid driver's license and receives a vehicle allowance.
<b>Municipal Manager</b>	means the accounting officer and duly authorized to enter into an agreement,

<b>Official transport</b>	transport provided by Council.
<b>Scheme</b>	means the vehicle allowance scheme of Eden for T-grades 14 and higher / personal-to-incumbent post levels 1 to 4.
<b>Vehicle</b>	means the type of transport utilized on a permanent basis for the execution of duties.

### **3. APPROVED**

MAYORAL COMMITTEE 347/04/13

### **4. POLICY**

#### **4.1 SCOPE OF APPLICATION**

- 4.1.1 This policy on vehicle allowance scheme shall be observed by Eden;
- 4.1.2 This policy will apply to ALL applicants who qualify for participation in accordance with the criteria of the scheme.

#### **4.2 CRITERIA FOR PARTICIPATION**

- 4.2.1 ALL employees appointed on a permanent basis at Eden on T-grades 14 and higher / personal-to-incumbent post levels 1 to 4 shall qualify for participation in the vehicle allowance scheme.

#### **4.3 CALCULATION OF ALLOWANCE**

- 4.3.1 Council shall pay to participating employees in the scheme an allowance based upon the said criteria;
- 4.3.2 The allowance payable will consist of two components and calculated in accordance with council's resolution/policy:
  - 4.3.2.1 Fixed cost and
  - 4.3.2.2 Running cost
- 4.3.3 Eden pays an employee a monthly vehicle allowance based upon distances travelled within the enclosed area without any proof of kilometers;
- 4.3.4 The level of the allowance for each post level in 4.3.3 shall be based upon the following table:

**POST LEVEL (PERSONAL-TO-INCUMBENT):**

<b><u>Post level</u></b>	<b><u>Kilometres</u></b>
1	850
2	750
3	650
4	550

**TASK GRADES:**

<b><u>Task Grade</u></b>	<b><u>Kilometers</u></b>
16 & higher	850
15	750
14	650

- 4.3.5 The fixed cost is based upon the annual salary of an employee (revised annually on the 1<sup>st</sup> of July);
- 4.3.6 Eden pays an employee in addition only running costs for any official distances travelled outside the enclosed area;
- 4.3.7 An employee must record distances travelled in 4.3.6;
- 4.3.8 An employee may utilize any vehicle (except official transport) for the purpose of 4.3.6. In such circumstances the calculation will be done according to the engine capacity of the vehicle used.

**4.4 EXCLUSIONS**

- 4.4.1 Travelling from home to work station will not be calculated as official traveling;
- 4.4.2 The employee may not utilize official transport;
- 4.4.3 NO private vehicle shall be permitted in the municipal workshop and personnel of the municipal workshop may not work on private vehicles;

- 4.4.4 Claims must be submitted regularly on a monthly basis (before the 10<sup>th</sup>) and must be authorized by the supervisor (delegations);
- 4.4.5 Accessories that would normally have been installed in a vehicle by the council, e.g. two-way radio, shall be installed and removed at the cost of council;
- 4.4.6 Employees participating in the vehicle allowance scheme will not be entitled to official parking facilities as result of their participation in this scheme, but will be dealt with in accordance with Council's Parking Policy.
- 4.4.7 The employee is responsible for any extra payments occurred during the purchase of the vehicle, repairs, maintenance, petrol and all other expenses incurred during the use of the vehicle, including traffic fines.

#### **4.5 INSURANCE**

- 4.5.1 The employee must supply proof of updated insurance to Council;
- 4.5.2 The employees shall be responsible for their own insurance;
- 4.5.3 Where the employee makes use of the insurance of Council, the monthly installment will be deducted in accordance with the rules and regulations of the insurer. The employee will be liable to pay any excess amounts arising out of any claims in respect of such insurance cover.

#### **4.6 AVAILABILITY OF VEHICLES**

- 4.6.1 Participating in the scheme bind the employee contractually to provide his own transport in order to fulfill his duties as employee of Eden;
- 4.6.2 If his vehicle breaks down and as a result is unavailable for use, it shall be the employee's responsibility to provide a suitable replacement vehicle at his own cost.

#### **4.7 TERMS AND CONDITIONS**

- 4.7.1 The employer and the employee hereby states that an employment relationship currently exist between the parties hereto;
- 4.7.2 The employee agrees and accepts the terms and conditions of this policy;
- 4.7.3 The failure of the employee to comply with this policy will be dealt with in terms of the disciplinary procedures;

4.7.4 The male refers to the female.

## **5. PROCESS**

### **5.1 PROCEDURES FOR PARTICIPATION**

5.1.1 Human Resources enter into consultation with the employee regarding rules and regulations of the policy;

5.1.2 The head of department finance is responsible for the budgeting and reporting to the Municipal Manager.

5.1.3 The employee shall provide the following relevant information:

5.1.3.1 Letter of acceptance including description of vehicle (provided by financial institution)

5.1.3.2 Copy of registration certificate

5.1.3.3 Proof of insurance including insurance amount and value

5.1.3.4 Copy of roadworthy certificate (if applicable)

5.1.3.5 Other information requested by HR

## **6. APPLICABLE FORMS**

Motor Vehicle Allowance Agreement

Amended / Gewysig: April 2013