

# THEMBISILE-HANI LOCAL MUNICIPALITY



## TRAVEL ALLOWANCE POLICY

2024/25

## TRAVEL ALLOWANCE POLICY

### 1. PREAMBLE

The Municipality acknowledges the fact that managers and employees in certain occupational categories require transport to effectively carry out duties assigned to them, and thereby provide travel allowance to facilitate their work.

### 2. PURPOSE

The objective of this policy is to create uniform standards across the Municipality to regulate the travel allowance for employees who qualify and utilise the benefit, and councillors.

### 3. SCOPE

This policy applies to all employees of the Municipality.

### 4. LEGISLATIVE AND POLICY FRAMEWORK

- Constitution of the Republic of South Africa Act 108 of 1996
- Municipal Systems Act 32 of 2000
- Municipal Structures Act 117 of 1998
- Municipal Finance Management Act 56 of 2003
- Labour Relations Act 66 of 1995
- Employment Equity Act 55 of 1998
- Local Government: Regulations on appointment and conditions of employment of senior managers, dated 17 January 2014
- Local Government: Municipal Staff Regulations, 2016 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)
- Local Government: Guidelines for the Implementation of the Municipal Staff Regulations, 2016 (issued in terms of Section 72, read with Section 120 of the Municipal Systems Act 32 of 2000)
- Basic Conditions of Employment Act 75 of 1997
- South African Local Government Bargaining Council: Collective Agreements
- Income Tax Act 58 of 1962

### 5. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation, or as defined and / or explained in the Glossary of the Human Resources Policies Manual.

## **6. PROBLEM STATEMENT**

This policy is to create uniform standards across the Municipality to regulate the travel allowance for employees who qualify and utilise the benefit, and councillors.

## **7. POLICY PROVISIONS**

### **7.1 Travel allowance for managers and employees**

**7.1.1** All councillors and senior managers receive a total remuneration package from the Municipality that includes a transport allowance of not more than twenty percent (20%) of the annual total remuneration package. A councillor or senior manager has the discretion and may include a transport allowance in the total remuneration package.

**7.1.2** Some employees qualify to receive a transport allowance of up to twenty percent (20%) of their annual basic salary, for the purchase of a private vehicle to use in official duties, based on their duties as per their job descriptions.

**7.1.3** A councillor or senior manager that elected to include a transport allowance within the total remuneration package structure, or an employee who receives a transport allowance, shall meet the following requirements:

**7.1.3.1** At all times provide motor vehicle of suitable type and condition for the proper discharge of duties.

**7.1.3.2** A logbook acceptable to the South African Revenue Service (SARS) shall be kept recording the official and private kilometres travelled.

**7.1.3.3** The travel allowance shall be included in the IRP5 for purposes of accounting to SARS.

**7.1.3.4** On Income Tax Assessment, a manager or employee receiving travel allowance shall account to SARS for the use of the travel allowance.

### **7.2 Reimbursement allowance for travel**

**7.2.1** In addition to the travel allowance as provided for under clause **7.1** above, a councillor, senior manager or employee may claim from the Municipality for official distances travelled.

**7.2.2** Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the national Department of Transport from time to time.

- 7.2.3** The fixed allocation for this category shall be paid in terms of a kilometre allocation per month, as determined by the Council, or SALGBC.
- 7.2.4** Should there be councillors, senior managers, or employees who wish to claim distances more than the allocation by Council or SALGBC, officially approved log sheets shall be submitted monthly and distances travelled up to a Council-determined ceiling (or SALGBC-determined ceiling) shall be reimbursed according to the applicable tariffs and formula prescribed by national Department of Transport.
- 7.2.5** To provide financial discipline and administrative simplicity in this regard, the kilometre allocations shall only be approved according to the following intervals: 150 km – increasing at intervals of 50 km to Council-determined ceiling (or SALGBC-determined ceiling) where after upon monthly submission of officially approved log sheets reimbursement allowance for travel will be paid to a maximum of Council-determined ceiling (or SALGBC-determined ceiling).

### **7.3 Official business travel**

- 7.3.1** Official or business-related travel is travel for any purpose that directly relates to Municipal duties of a councillor, senior manager, or employee and excludes travelling between the place of residence and ordinary place of work
- 7.3.2** Full-time councillors who are allocated offices at the Municipal precinct shall have their ordinary place of business at the Municipal precinct.
- 7.3.3** Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the municipal precinct, unless deployed to a specific ward.
- 7.3.4** Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that ward.
- 7.3.5** Part-time Ward Councillors shall have their ordinary place of business at their respective wards (ward office/home).

### **7.4 Qualification requirements to a reimbursement for travel**

- 7.4.1** A travel reimbursement may only be extended to councillors and senior managers that have included the travel allowance within their total remuneration package.
- 7.4.2** A travel reimbursement may only be extended to employees who receive a travel allowance represented by 20% of their basic salary.

- 7.4.3 All travel on business of the Municipality shall be approved as such before a manager or employee is entitled to claim for the travel reimbursement.
- 7.4.4 A travel reimbursement claim shall be supported by proof of such travel and related documents.
- 7.4.5 No travel claim shall be paid, and no councillor, senior manager or employee shall be entitled to the reimbursement, if the travel is not related to official business of the Municipality.

## **7.5 Control measures on employees receiving travel allowance**

- 7.5.1 Employees are to provide proof of availability of suitable vehicles on the request of the expenditure unit. If not, the affected employees' travel allowance shall be stopped until such vehicle is available / provided.
- 7.5.2 In the event that it can be shown that the employee has received the travel allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period shall be recovered from the employee's salary.
- 7.5.3 Employees shall inform their Head of Departments immediately if they do not have a vehicle available.
- 7.5.4 Furthermore, the employee shall face disciplinary action and / or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle.
- 7.5.5 Where the employee continued to receive the allowance without complying with the above qualifying requirements, they shall be charged with fraud.
- 7.5.6 Employees who are in receipt of existing travel allowances which they enjoyed from their previous post and who are appointed to promotional posts that do not have travel allowances attached to them shall have their existing travel allowance discontinued from the time that they take up the duties of the new promotional post.

## **7.6 Measures for claiming travel reimbursement**

- 7.6.1 The duly prescribed claim form shall be fully completed by a councillor, senior manager or employee.
- 7.6.2 The prescribed form shall be submitted, within predetermined dates, to the salaries or payroll section of the Finance department or the duly delegated official, to be considered for reimbursement.

**7.6.3** All claims shall be reimbursed or paid with the next salary of such a councillor, senior manager or employee.

**7.6.4** A claim for a travel reimbursement shall be supported by:

**7.6.4.1** A logbook /log sheet acceptable to SARS, recording the official kilometres travelled in a defined month.

**7.6.4.2** Any relevant supporting documentation.

## **7.7 Roles and responsibilities**

**7.7.1** The Municipal Manager or his / her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy.

**7.7.2** The financial implications related to implementing this policy shall be qualified and quantified by Human Resource Management in consultation with the Chief Financial Officer.

## **8. POLICY MONITORING AND EVALUATION**

**8.1** This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.

**8.2** Non-compliance to the stipulations contained in this policy shall be regarded as misconduct, which shall be dealt with in terms of the Code of Conduct.

**8.3** Head of Corporate Services shall carry out the monitoring and evaluation of the policy's implementation.

## **9. POLICY APPROVAL**

Formulated by HR Management: Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Consulted with Local Labour Forum:

*Union Representative:* Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Union Representative:* Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Municipal Council: Signature: \_\_\_\_\_ Date: \_\_\_\_\_