



TRAVEL ALLOWANCE SCHEME POLICY

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1. PURPOSE OF THE POLICY

The purpose of this policy is to:

- a) Create a uniform policy that is adequate for all employees who qualify for a transport allowance scheme (both Managers as well as Essential Users) within the municipality.
- b) Ensure an accountable and standardised way of administering the scheme to all qualifying employees.
- c) Be in compliance with legislation and approved gazetted rates.
- d) Provide guidelines and criteria to regulate the allocation of a fixed transport allowance for employees who qualify for a transport allowance.
- e) Provide for participation by employees of the municipality who, with the consent of the council make use of private transport in the execution of official duties.
- f) Provide for the payment of a travelling allowance as part of benefits payable to employees in terms of the position occupied and conditions of appointment.
- g) Attract and retain competent employees by providing them with fringe benefits in addition to the cash component of their remuneration.
- h) Ensure that whilst allowing fringe benefits to qualifying employees, compliance with statutory requirements is always upheld.
- i) Provide for the suspension of benefits under certain conditions.

2. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:-

- a) Establish uniform directives, procedures, conditions and limitations for participation in the Policy;
- b) Establish procedures and conditions under which employees can use their private vehicles in the execution of the official duties; and
- c) Regulate payment of travel allowances to Overstrand Municipal employees who have to travel in the execution of official duties.

3. DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:

<i>“Ad Hoc Allowance”</i>	A temporary allowance for reimbursement of kilometres travelled by private vehicle for official trips.
<i>“Ad Hoc Travelling”</i>	Travelling in exceptional cases, when occasional official trips have been undertaken by means of a private vehicle.
<i>“Council”</i>	The Council of the Overstrand Municipality.
<i>“Director”</i>	A Senior Manager appointed in terms of Section 56 of the Municipal Systems Act.
<i>“Employee(s)”</i>	Person(s) appointed on a permanent and/or fixed term contract for a period of three (3) months or longer at the Overstrand Municipality on post levels T14 to T18 and higher.

<i>“Essential User”</i>	An employee whose job requires them to use their own vehicle for work on a regular, ongoing basis.
<i>“Fixed Cost”</i>	The component of the travel allowance that includes elements like the vehicle's purchase price, finance costs, wear-and-tear, and other recurring non-fuel-related expenses such as insurance and depreciation, as indicated in SARS Travel Allowance Table, as amended from time to time.
<i>“Manager”</i>	An employee appointed in positions T-14 to T-18 on the approved staff establishment of the Municipality.
<i>“Municipal Manager”</i>	The Accounting Officer of the Overstrand Municipality, appointed in terms of Section 57 of the Municipal Systems Act.
<i>“Municipality”</i>	The Overstrand Municipality.
<i>“Official Emergency Vehicle”</i>	Any official vehicle registered in the name of the Overstrand Municipality that is designated and authorized to respond to an emergency and are fitted with audible and visual warning devices, which are designed to facilitate their movement through traffic to reach their destination, inclusive of the Fire Services Incident Command Vehicle.
<i>“Official Kilometres”</i>	The kilometres travelled by an employee for official purposes within the entire municipal area, excluding trips between place of work and home.
<i>“Participant”</i>	An employee who is permanently appointed in a travel allowance bearing position.
<i>“Private Transport”</i>	An employee's own transport requested for official duties.
<i>“Policy”</i>	The Overstrand Municipal Travel Allowance Policy as approved by Council.
<i>“SARS Rates”</i>	The South African Revenue Services fixed cost table issued in terms of the Income Tax Act (Act No 58 of 1962) as amended.
<i>“Total Running Costs”</i>	The component of the Travel allowance that covers the costs of maintenance and fuel, as indicated in SARS Travel Allowance Table, as amended from time to time.
<i>“Travel Allowance”</i>	A fixed amount which is paid monthly to employees.
<i>“Travel Allowance Bearing Position”</i>	A qualifying position on the approved organisational structures to which a monthly travel allowance is allocated.
<i>“Vehicle”</i>	A privately owned vehicle, excluding a motorcycle and a motor scooter, which is utilised and suitable for the execution of official duties of the employee.

All terminology in this policy, unless explicitly indicated otherwise, shall bear the meaning as in applicable legislation.

4. LEGISLATIVE FRAMEWORK

This Policy must be read in conjunction with the:-

- a) The Constitution of the Republic of South Africa, 1996;
- b) Income Tax Act 58 of 1962;
- c) The Municipal Finance Management Act 56 Of 2003 (MFMA);
- d) Municipal Systems Act 32 of 2000, as amended;
- e) Basic Conditions of Employment Act 75 1997, as amended;
- f) Labour Relations Act 66 of 1995; and
- g) South African Local Government Bargaining Council Collective Agreement on Wages & Salaries (including the rules of the Essential User Scheme as set out in Government Gazette 16407 of 12 May 1995).
- h) Overstrand Municipality Travel & Subsistence Policy

5. SCOPE OF THE POLICY

This Policy applies to all:-

- a) Management positions who receive a fixed monthly travel allowance, except for Section 56/57 Managers who are remunerated on a Cost-to-Council basis;
- b) Employees who both by the nature of their duties are involved on a daily basis in the functional operations and / or employees who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis, are eligible to receive a fixed compensatory travel allowance, subject to the approval by the Director and the Municipal Manager.

6. GUIDING PRINCIPLES

- 6.1 An employee performing any functions which require one or more of the following, will automatically be excluded from participation in the Policy:
 - 6.1.1 The functions require specialised vehicles and/or equipment;
 - 6.1.2 The functions necessitate the transportation of co-worker(s) and/or equipment; and
 - 6.1.3 The primary functions are to transport goods and/or people.
- 6.2 All employees paid an annual all-inclusive cost to company package that is not linked to a Task grade or Post level, will not qualify for a travel allowance as they may elect to receive a portion of their annual remuneration as a travelling allowance.
- 6.3 Travel Allowance for all other officials will be determined by the inherent responsibilities and requirements of the job.
- 6.4 No official transport will be made available to employees who receive a fixed travel allowance for the execution of their official duties;
- 6.5 Employees who receive a fixed travel allowance are responsible for the full cost of their private vehicles including, but not limited to, finance charges, maintenance, insurance, licensing, registration and other running cost such as fuel, oil, tyres, services, etc;
- 6.6 The choice and type of the vehicle to be used by an employee who receives a fixed travel allowance should comply with the purpose and requirements for the execution of the employee's official duties;

- 6.7 To qualify for a fixed travel allowance, employees should be in possession of a valid license.
- 6.8 Employees with physical disabilities who cannot qualify for a valid driver's license in terms of the National Road Traffic Act, 1996 (Act No 93 of 1996) who qualify for a travelling allowance by nature of their job/position will qualify for a fixed travel allowance, subject thereto that they utilize a private vehicle and driver for purposes of official journeys and on condition that the Municipality is indemnified from any claims that might result from this arrangement;
- 6.9 In the event where more than one employee who receives a fixed travel allowance have to attend the same meeting, seminar, congress, workshop, training course or any other event that the employees have to attend in their official capacity for which prior written approval has been obtained, such employees must travel together (in line with / refer to paragraph 7.5 of the Travel & Subsistence Policy). However, one claim to be submitted for re-imburement for travelling (owner of the vehicle whose vehicle was used);
- 6.10 An employee who receives a fixed travel allowance and who is requested by written instruction by the Municipal Manager or his/her superior to be available for the performance of standby duty outside his/her normal working hours will not be allowed to travel with an official emergency vehicle between his/her residence and place of work;
- 6.11 An employee who receives a fixed travel allowance in accordance with the Essential User Travel Allowance Scheme will not be allowed to claim for any official journeys undertaken within a 15-kilometre radius of his/her workplace, unless the maximum approved kilometres has been exceeded.
- 6.12 A vehicle registered to a participant of the travel allowance of Council should be available every time it is needed to carry out Council's official duties. If not available due to minor or major mechanical problems, it should only be for a period not exceeding one month. Should the problem exceed one month, the employee must arrange for alternative transport excluding Council vehicle to perform his/her duties. Failure to get alternative transport within six months, the beneficiary will be withdrawn from receiving a travel allowance. Any other exceptions which are not indicated above will be dealt with on merit.

7. TRAVEL ALLOWANCE FOR MANAGERS

7.1 Requirements for Participation

- 7.1.1 Travel allowances shall be determined primarily by the managerial level of the position as set out in paragraph 7.2.1.
- 7.1.2 Positions T-14 to T-18, on the approved staff establishment of the Municipality shall automatically be deemed travel allowance bearing positions, provided that:
- a) Such positions are catered for on the approved organogram;
 - b) The employee has a valid driver's license and owns a vehicle;
 - c) A privately owned vehicle must be made available on a daily basis;
 - d) No official vehicle of the Municipality shall be utilised by the employee either as a driver or a passenger, unless prior approval is given by the Municipal Manager or his / her delegate in exceptional circumstances.

7.2 Classification for Travel Allowance

- 7.2.1 The fixed allocation for positions T14 – T18 is a benefit and not a working tool, awarded the following kilometres per month;
- a) Post level T17 to T18 including all management staff and fixed terms contract employees where the T-level is determined by Council – 850 Km
 - b) Post level T15 to T16 including all management staff and fixed terms contract employees where the T-level is determined by Council – 750 Km
 - c) Employees on T14 level, all management staff and fixed terms contract employees where the T-level is determined by Council – 650 Km
- 7.2.2 The incumbents of these positions automatically qualify for a monthly travel allowance without proof of official distances travelled;
- 7.2.3 The kilometres are fixed, but in instances where the fixed kilometre allowance above is exceeded, running cost equal to that of the vehicle registered on the scheme will be paid for all kilometres in excess of the kilometre quota that is substantiated by log sheets.
- 7.2.4 The kilometre allocations of these positions are for official trips.

7.3 Calculation of the Fixed Costs and Running Costs Components

- 7.3.1 A monthly travel allowance consists of the following 2 (two) components – Total fixed costs and running costs as indicated in the SARS travelling allowance rates table, multiplied by the approved total kilometres;
- 7.3.2 Total Fixed Costs
- a) A rate per kilometre for fixed cost shall be determined using the purchase value of the vehicle on the cost scale as per the SARS table, divided by the total distance in kilometres approved for that travel allowance bearing position for a period of 12 (twelve) months (e.g. 850km x 12 = 10'200km);
 - b) Provided that the purchase value of the vehicle shall be the lesser of the employee's annual salary plus 13th cheque, taking into account annual cost of living salary adjustments, and the purchase price of the vehicle including value added tax but excluding finance charges.
- 7.3.3 Running Costs
- a) A rate per kilometre for maintenance and fuel shall be obtained from the running cost as per the SARS table and calculated as the sum of maintenance and fuel costs cents per kilometre converted to Rand per kilometre.
- 7.3.4 Implementation of Amendments to the Fixed Costs and Running Costs Components will be implemented on the 1st of March each year following the approval of new amended SARS Rates tables.

8. ESSENTIAL USER TRAVEL ALLOWANCE SCHEME

8.1 Requirements for Participation

- 8.1.1 Employees receiving a travel allowance for operational reasons, excluding those positions referred to in paragraph 7.1.2 above and subject to affordability within the Municipality, must comply with the following criteria:
- a) The use of a private vehicle is required for the execution of his/her duties;
 - b) The employee has a valid driver's license;

- c) A privately owned vehicle must be available on a daily basis;
- d) No official vehicle of the Municipality shall be utilised by the employee either as a driver or a passenger, unless prior approval is given by the Municipal Manager or his / her delegate in exceptional circumstances;
- e) The total official kilometre distance travelled, must not be less than 300 (three hundred) km and not exceeding 1 166 (one thousand one hundred and sixty-six) km per month.

8.2 Classification for Travel Allowance

- 8.2.1 The travel allowance paid to all officials for operational reasons is regarded as a working tool and not a benefit:
- 8.2.2 The allowance is applicable to those positions where the criteria for participating in the Policy are complied with (refer to paragraph 8.1);
- 8.2.3 The allowance is based on the actual official kilometres travelled, as referred to in paragraph 8.3, confirmed by means of daily logs kept over a period of 3 (three) consecutive months;
- 8.2.4 The kilometre distance allocated to the position is for trips within the boundaries of the Municipality;
- 8.2.5 The participant shall be compensated on an ad hoc basis for trips exceeding the fixed kilometre allocation.

8.3 Determination and Re-Determination of Official Kilometre Distances

8.3.1 Determination of Official Kilometres for New / First Time Applications

- 8.3.1.1 When an employee is instructed to utilize his/her private vehicle in the execution of his/her duties for a prolonged period, and no official transport is available, the employee can complete an official application form and forward it to the Municipal Manager, or his delegate, for approval.
- 8.3.1.2 After the investigation by the Municipal Manager, or his delegate, the request can be:
 - a) Disapproved by the Municipal Manager, or his delegate, if it is confirmed that not all the requirements as indicated in paragraph 8.1 are met and the employee is informed accordingly; or
 - b) Approved by the Municipal Manager, or his delegate, if it is confirmed that all the requirements as indicated in paragraph 8.1 are met.
- 8.3.1.3 The approval must take into account the financial position of the Municipality.
- 8.3.1.4 The logs shall be used to determine the monthly official kilometres allocated to a position(s).
- 8.3.1.5 While keeping logs:
 - a) Trips outside the boundaries of the Municipality shall not form part of the official kilometre allocation
 - b) Trips between place of work and home do not form part of the determination of official kilometres.
 - c) The Applicant must submit the claims of official kilometres travelled, up until the final approval, to be reimbursed at the SARS ad hoc reimbursive tariff.
- 8.3.1.6 Logs completed on the official log sheets of the Municipality must be submitted to the Municipal Manager, or his delegate, for verification, after it has been approved by the employee's supervisor and/or Manager.

- 8.3.1.7 Should the 3 (three) months period of keeping logs be interrupted by unforeseen / exceptional / unplanned absenteeism, excluding annual leave, the employee may obtain formal approval in writing from the Municipal Manager, or his delegate, to extend the 3 (three) month period equivalent to the period of absenteeism.
- 8.3.1.8 After completion of the period of keeping logs, the kilometres travelled must be calculated and the employee must be officially informed of the results by the Municipal Manager, or his delegate.
- 8.3.1.9 In order to obtain the official monthly kilometres that should be allocated to the position, the total kilometres travelled during the 3 (three) months must be divided by 3 (three) and the result rounded off to the nearest 50 (fifty) kilometres, further provided that the allocated kilometres must not exceed 1 166 km per month.
- 8.3.1.10 If the calculations prove that the kilometres travelled per month do not comply inter alia with the minimum or maximum kilometre requirements for participation:
- a) The position will not be included in the Policy (refer to paragraph 8.1),
 - b) The employee concerned must be informed officially, in writing by the Municipal Manager, or his delegate.
- 8.3.1.11 If the calculations prove that the kilometres travelled per month comply inter alia with the minimum or maximum kilometre requirements for participation, the Municipal Manager, or his delegate, will:
- a) Officially inform the employee concerned within 1 (one) month after completion of the logs; and
 - b) Approve the application in this regard, informing HR to record and process the application accordingly.
- 8.3.1.12 During the period it takes to approve the application as mentioned in paragraph 8.3.1.11, the employee concerned should continue to submit logs to the Municipal Manager, or his delegate, for compensation purposes as set out in paragraph 8.3.1.5 c) above, unless a municipal vehicle is utilized.
- 8.3.1.13 After the Municipal Manager, or his delegate approves the application as mentioned in paragraph 8.3.1.11, the employee concerned shall be remunerated as follows:
- a) The total Travel allowance, as approved, from the first day of the month following the month of approval by the Municipal Manager, or his delegate.
- 8.3.1.14 The Municipal Manager, or his delegate, can verify, question and test the contents of any log sheet at any point in time while an employee is keeping logs.

8.3.2 Re-Determination of Official Kilometres

- 8.3.2.1 Should the Municipal Manager, or his delegate, require a re-determination of the official kilometres allocated to Travel allowance bearing position(s), the participant(s) concerned commences to keep logs as set out in paragraph 8.3.1.
- 8.3.2.2 Should the participant of a Travel allowance bearing position require a re-determination of the official kilometres allocated to the position, a written motivation, together with an official application form, should be submitted to the relevant Director concerned, for recommendation.

- 8.3.2.3 After the investigation by the Director, the request can be:
- a) Disapproved by the Municipal Manager, or his delegate, if the investigation does not confirm the re-determination of official kilometres and the employee is informed accordingly; or
 - b) Provisionally approved by the Municipal Manager, or his delegate, if the investigation confirms the re-determination of official kilometres.
- 8.3.2.4 If provisionally approved, the participant concerned is informed officially by the Municipal Manager, or his delegate, to keep logs in accordance with paragraph 8.3.1.
- 8.3.2.5 The incumbent of the travel allowance bearing position retains his/her current travel allowance for the period of keeping logs, until such time as the Municipal Manager, or his delegate, approves the re-determined official kilometres. Once approved, implementation is effective from the first day of the month following the month of the approval.
- 8.3.2.6 In the case where it is ascertained, as a result of a re-determination of official kilometres, that a participant travels less than 300 (three hundred) km or more than 1 166 (one thousand one hundred and sixty-six) km per month for official purposes, the participant:
- a) Should utilize official municipal transport; and
 - b) Should be dealt with in terms of the suspension of travel allowance criteria as set out in paragraph 13.

8.4 Calculation of the Fixed Costs and Running Costs Components

- 8.4.1 A monthly travel allowance consists of the following 2 (two) components – Total fixed costs and running costs as determined by the SALGBC: Western Cape Office, multiplied by the approved total kilometres;
- 8.4.2 Total Fixed Costs
- a) A rate per kilometre for fixed cost shall be determined using the average fixed car costs in accordance with the standard vehicle price calculated on the 14'000km column, which fixed costs shall include depreciation, interest, licensing and 50% of Insurance in accordance with the AA Tables as annually provided by SALGBC.
 - b) Provided that the calculation shall be based on the purchase value of a standard 1400/1600cc sedan.
 - c) If an employee is expected to carry out duties that functionally require a vehicle with an engine capacity higher than 1600cc, an application for the necessary exemption for a deviation from the definition of “standard vehicle” and “standard price” must be submitted to the Municipal Manager, or his delegate.
- 8.4.3 Running Costs
- a) A rate per kilometre for maintenance and fuel based on a standard vehicle as provided by the SALGBC: Western Cape Office, calculated as the sum of maintenance and fuel costs cents per kilometre converted to Rand per kilometre.
 - b) Implementation of Amendments to the Fixed Costs and Running Costs Components will be implemented upon the receipt of the amended SALGBC: Western Cape tables, effective from the 1st of July each year.

9. PRINCIPLES OF COMPENSATION

The following principles are applicable with regard to the payment of travel allowances:

- 9.1 Positions qualifying will receive allowances as a fixed amount per month.
- 9.2 The travel allowance amount shall be adjusted or shall increase in each financial year in line with the provisions of the applicable salary and wage Collective Agreement until such point where the maximum allowable amount surpasses the purchase price of the vehicle and in line with the provisions of the approved schedules as per the income tax act, and any other point within the financial year when a new vehicle is bought and registered on the travel allowance scheme, subject thereto that the amount of the allowance will not be less than that received prior to the adjustment.
- 9.3 A Travel allowance for the particular calendar month shall be paid on a monthly basis in arrears.
- 9.4 With regard to unpaid leave as reflected on the Payday ESS leave administration system (**NOT** the Kronos Time & Attendance System):
 - a) The travel allowance be reduced on a pro rata basis; and
 - b) No fixed or running costs are payable during this period, unless the Municipality resolves otherwise.
- 9.5 With regard to sick leave, the following is applicable:
 - a) Full-paid sick leave: full travel allowance is payable.
 - b) Unpaid sick leave: no fixed or running costs are payable, unless the Municipality resolves otherwise.

10. MONITORING AND CONTROLS

- 10.1 Beneficiaries of the travel allowance for managers will be requested to at least annually by July submit confirmation of ownership in the form of:
 - a) a copy of the registration document of the vehicle from the traffic department; and
 - b) a copy of the purchase / lease / other agreement between the recipient of the travel allowance and the Dealership / Seller indicating the cost price of the vehicle for determining of the monthly travel allowance; or
 - c) confirmation that the detail of the previous year has remained unchanged.
- 10.2 Should the recipient of the travel allowance for managers fail to produce the confirmation mentioned in paragraph 10.1 above, the travel allowance will be capped at a maximum of R 5 000 per month, subject thereto that the allowance will be adjusted prospectively once the required documents have been submitted.
- 10.3 Essential users to submit copies of completed logsheets to their respective Directors on a quarterly basis to verify the applicability of the allocated allowance.

11. AD HOC REIMBURSEMENT

- 11.1 Ad hoc reimbursement, as governed by the Overstrand Municipality Travel & Subsistence Policy, is payable in cases where occasional official trips are undertaken by means of private transport.

11.2 ALL TRAVEL ALLOWANCE BEARING POSITIONS (MANAGEMENT BENEFIT POSITIONS AND OPERATIONAL WORKING TOOL POSITIONS)

11.2.1 Ad hoc remuneration is payable for official trips when the monthly kilometre allocation of the position is exceeded.

11.2.2 Ad hoc remuneration is payable for official trips within the boundaries of the Municipality when a radius of 15km is exceeded, excluding Operational Working Tool positions.

11.2.3 Approved ad hoc claims for kilometres outside the Municipality's area of jurisdiction for travel allowance bearing positions, will be reimbursed at the total running cost rates in terms of the applicable tables as per paragraph 7.3 and paragraph 8.4 for private transport used for official purposes, for the actual return trip distance, measured from place of residence or place of work, whichever is the nearest to the place of the approved event.

11.2.4 Ad hoc claims must be submitted for payment within the period of two calendar months from the date of recording the first trip, after exceeding the fixed monthly kilometre allocation of the position; If not, payment will be forfeited.

11.2.5 Claims for ad-hoc trips must be completed on the official claim form certifying the purpose of the trip and the actual kilometres travelled, approved by the Municipal Manager, or his delegate, and forwarded to the Finance Department.

11.2.6 Trips between place of work and home shall not form part of ad hoc remuneration.

11.3 NON-TRAVEL ALLOWANCE BEARING POSITIONS

11.3.1 Claims for ad hoc trips must be completed on the official claim form certifying the purpose of the trip and the actual kilometres travelled, approved by the Municipal Manager, or his delegate, and forwarded to the Finance Department.

11.3.2 Ad hoc claims must be submitted for payment within the period of two calendar months from the date of recording the first trip. If not, payment will be forfeited.

11.3.3 Trips between place of work and home shall not form part of the ad hoc claims.

11.3.4 Approved ad hoc claims for kilometres inside and outside the Municipality's area of jurisdiction for non-travel allowance bearing positions, will be reimbursed at the rates approved by SARS ad hoc reimbursive tariff for private transport used for official purposes, for the actual return trip kilometres, measured from the place of work to the destination.

12. TRAVEL ALLOWANCE WHEN ACTING

12.1 A participant of a travel allowance bearing position who temporarily acts in a permanent travel allowance bearing position on a higher salary level, will only receive the travel allowance applicable to his/her own position.

12.2 An employee of a non-travel allowance bearing position who temporarily acts in a permanent travel allowance bearing position, and if he/she provides a privately owned vehicle for the acting period, will be remunerated on an ad hoc basis as provided for in paragraph 11.3.

13. SUSPENSION OF TRAVEL ALLOWANCES (Essential User Scheme Participants)

13.1 A participant occupying a travel allowance bearing position who requests to be permanently transferred to a non-travel allowance bearing position, will forfeit the Travel allowance from the date of transfer.

- 13.2 The Municipal Manager may resolve to rescind a participant's travel allowance, in the following cases:
- a) Where a participant in a travel allowance bearing position without his/her request is transferred to a non-travel allowance bearing position; or
 - b) Where the job contents of a travel allowance bearing position change to such an extent that it will have an effect on the allocation of the travel allowance.
- 13.3 After consultation between the Municipal Manager and the participant concerned, a report may be submitted to the Municipal Manager for approval, after which a written notice must be given that the termination of the travel allowance will be effective after a period of 6 (six) months.
- 13.4 Where an incumbent of a travel allowance bearing position is injured to such an extent that he/she is unable to drive on a permanent basis, the Municipality may resolve that:
- a) The payment of his/her allowance will be based on the fixed costs component until his/her vehicle loan is redeemed in full, after which no travel allowance will be payable to such an employee.

14. TRANSITIONAL ARRANGEMENTS

- 14.1 The Municipality must give all employees on any other travel allowance policy / scheme, notice of the suspension or termination of their travel allowance in terms of the provisions of their travel allowance policy / scheme concerned, after which suspension / termination period, the employees concerned shall be placed on this Travel Allowance Policy, subject to the provisions of this Policy.
- 14.2 All Managers who are already in receipt of a monthly kilometre allocation in excess of that set out in paragraph 7.2.1, prior to the implementation date as set out in paragraph 17, will retain that allocation as contractual to incumbent as long as they are employed by the Municipality in that particular post.
- 14.3 Where the present travel allowance scheme, for both Managers and Essential Users, is more advantageous to the employees than this scheme, the employees shall retain the former scheme as "contractual to incumbent" as long as they are employed by the Municipality or may exercise an option to accept the new scheme at the date of introducing a new vehicle onto the scheme.
- 14.4 All new appointments after the implementation date as set out in paragraph 17 must, however, be appointed on the conditions of this scheme.

15. SECURING OF RISKS

The onus shall ultimately rest on the participant to ensure that the vehicle is comprehensively insured for business purposes, and the Municipality shall not attract any liability of whatsoever nature in the case of the vehicle being damaged, destroyed or stolen.

16. RELINQUISHING OF RIGHTS

- 16.1 Should any party neglect to act against the other party regarding the non-compliance of this agreement or should one party extend leniency, this shall not be construed as a waiver of rights in terms of the agreement. It shall also not be prejudicial to that party in future actions.
- 16.2 The failure of the Municipality to strictly enforce the terms of this agreement against the participant in any one instance shall not be construed as a waiver by the Municipality of

any of its rights in terms of the agreement and shall not prejudice the Municipality to act against such participant at any later stage.

17. IMPLEMENTATION AND REVIEW PROCESS

This policy will come into effect on the **1st day of the month following on the month in which Council approved and adopted this policy.**

This policy will be reviewed at least annually or when required by way of a Council resolution.

18. SHORT TITLE

This policy shall be called the Overstrand Municipality Travel Allowance Scheme Policy.

POLICY SECTION:	EXPENDITURE, ASSETS, FLEET & LOGISTICS MANAGEMENT
CURRENT UPDATE	N/A
PREVIOUS REVIEW	N/A
APPROVAL BY COUNCIL	2026/04/29