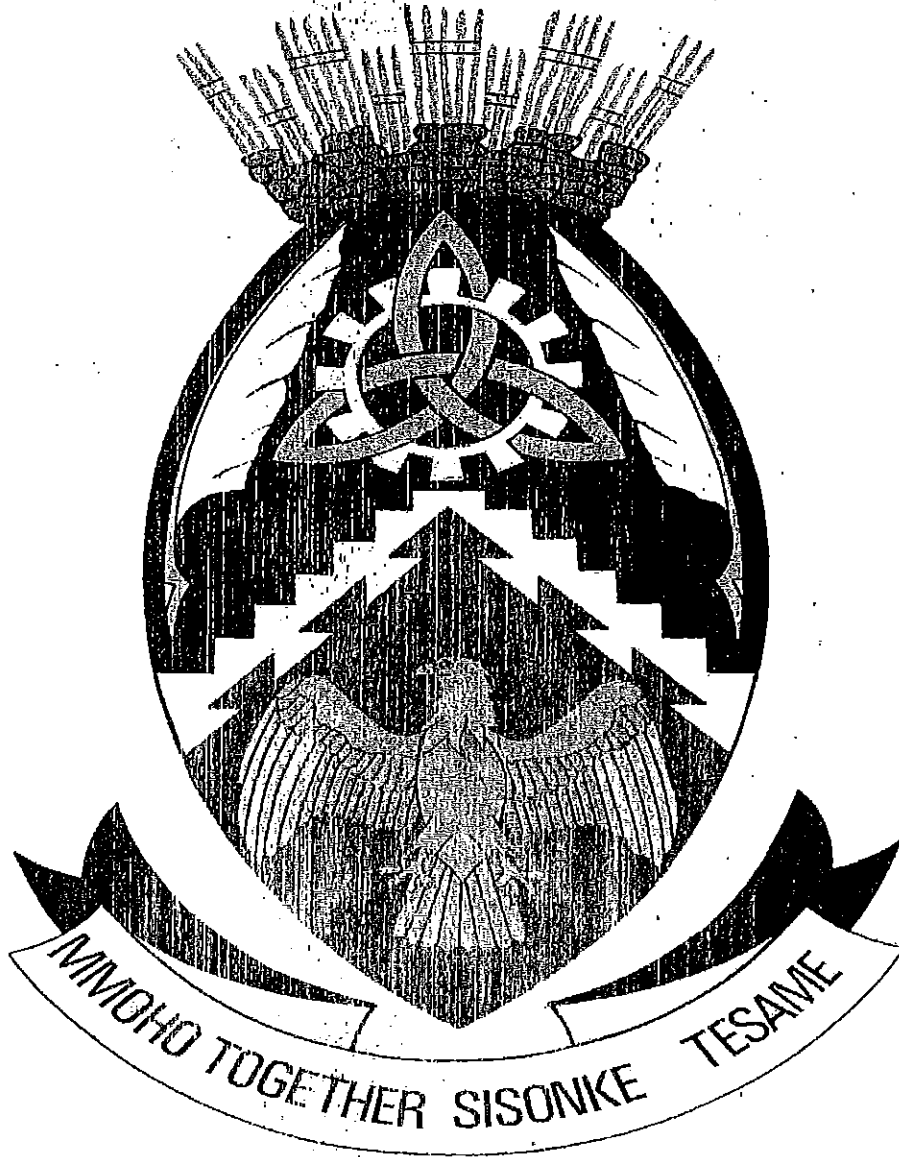


A3/2008

28

MATJHABENG LOCAL MUNICIPALITY



MATJHABENG LOCAL MUNICIPALITY:
MOTOR ALLOWANCE POLICY

DEFINITIONS

For purpose of this SCHEME, the following definitions shall apply:

- 1.1 "COUNCIL" MEANS THE Municipality or Council or their successors in title
- 1.2 "DUTY DISTANCE" means the average monthly distance in kilometers traveled by an EMPLOYEE in the COUNCIL's service, excluding journeys in respect of which a traveling and/or subsistence and traveling allowance is paid.
- 1.3 "EMPLOYEE" means any "employee" as defined in the Labour Relations Act of 1995 but excludes Section 57 appointments in terms of the Municipal Systems Act.
- 1.4 "FINANCIAL INSTITUTION" means an institution that is registered as a bank in terms of the Banks Act 1990 (Act No. 94 of 1990).
- 1.5 "INSURANCE VALUE" shall be determined as follows:
 - 1.5.1 at the date that the vehicle is INTRODUCED the INSURANCE VALUE shall be the PURCHASE VALUE; and
 - 1.5.2 the INSURANCE VALUE shall be revised annually and shall be the retail selling value as published in the latest September issue of the Guide. If the vehicle does not appear in this Guide, the value shall be determined by an assessor appointed by the COUNCIL at the EMPLOYEE's expense.
- 1.6 "INTRODUCED" means:
 - 1.6.1 the date on which the position on the structure of COUNCIL is approved as an approved vehicle transport allowance position,
 - 1.6.2 the date on which a motor vehicle is recognized by COUNCIL for utilization on the scheme,
 - 1.6.3 the date on which the motor vehicle is fully registered in the EMPLOYEE's name, and
 - 1.6.4 the date on which the EMPLOYEE takes delivery of the motor vehicle.
- 1.7 "MOTOR VEHICLE ALLOWANCE" means an allowance granted to an EMPLOYEE who has been authorized to utilize PRIVATE TRANSPORT on a REGULAR BASIS in the execution of his/her official duties.

32

2.2.2 the basis for compensation and benefits for those EMPLOYEES who are eligible and participate in the SCHEME with prior agreement with the Municipality.

3. **SCHEME**

The newly approved Motor Vehicle Scheme A81/2006 as approved by Council on 28 November 2006 contains the following:

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

$$A \times B = D$$

Where-

A = represents the current monthly salary (excluding benefits) whereas *B* is the percentage (as set out below) linked to each employee's post level when obtaining a vehicle in terms of this scheme. Whereby *D* will automatically change during any salary increase or in cases of promotion or demotion respectively:

Post Level	Percentage
Two (2)	40% (Fringe benefit)
Three (3)	40% (Fringe benefit)
Five/Four (5/4)	30% (Fringe benefit)
Six, Seven, Eight, Nine (6-9)	25%

4. **SCHEME PARTICIPATION**

Current participants will be placed on either:

- 4.1.1. Immediately or
- 4.1.2 Be kept personal to post until the allowance calculated according to the newly approved Motor Vehicle Scheme becomes more favourable.

4.2 Applicants of new entrants into the Scheme will be considered by the SUB-COMMITTEE based on the following criteria:

- distance travelled
- frequency of use

The choice of a motor vehicle shall rest with the EMPLOYEE, provided that the SUB-COMMITTEE is satisfied that the motor vehicle is suitable for the carrying out of the duties.

8. PURCHASE CONDITIONS

The EMPLOYEE is responsible for the securing of a loan for the purchase of the vehicle from a registered financial institution.

9. COMPREHENSIVE INSURANCE

An EMPLOYEE in receipt of a MOTOR VEHICLE ALLOWANCE shall, entirely at his/her own expense, take out comprehensive insurance in respect of the EMPLOYEE's PRIVATE TRANSPORT and any alternative acceptable transport that may be utilized in terms of rule 6.3

10. EMPLOYEE'S RESPONSIBILITY

The EMPLOYEE shall -

Be responsible for the payment of his motor license fees in respect of his/her PRIVATE TRANSPORT; and

Ensure that his/her PRIVATE TRANSPORT is available for use at his/her PLACE OF WORK every day that he/she is on duty.

APPROVED BY: _____
MUNICIPAL MANAGER

DATE