

## REPORT ON CAR ALLOWANCE

### 1. BACKGROUND

The municipality has a car allowance scheme as a working tool and is due for review. The item is presented for the review of the policy.

### 2. DISCUSSION

The municipality has provided employees with a car allowance as a working tool. The SARS guidelines have been referred to seek clarity in the quest to interpret the current provision of the car allowance. The SARS guidelines states that car or travel allowance is not meant for travel between a place of residence and the workplace.

The car allowance should only apply to people who travel on work related trips and who cannot be provided with means for such travel.

### 3. LEGAL IMPLICATION

### 4. FINANCIAL IMPLICATIONS

The vote for car allowance will be impacted upon but because there is no drastic changes on the policy we are not expecting any shake up.

In the new budget cycle if new beneficiaries are to be provided with this working tool.

### 5. RECOMMENDATION

The policy be reviewed as per the attached proposal.

See the attached policy...

## CAR ALLOWANCE.

### 1. OBJECTIVES

The policy is intended to guide the municipality on how to provide the car allowance as a working tool. Further to align the municipal car allowance scheme to the SARS guidelines. To also revise the existing policy.

### 2. SCOPE OF APPLICATION

The Policy will apply to all employees on certain levels, who further have to travel on work business through own vehicles.

### 3. POLICY PROVISIONS

The car allowance will be paid to the following positions at certain percentages of the salary, applicable to the said positions. NB the directors have the latitude to arrange their salary packages in terms of their needs.

The allowance will be adjusted annually to be commensurate with the salary adjustment.

• Municipal manager at 2.08% of the salary	R13,750.00
• Directors at 2.93% of the salary	R14,237.00
• The managers at 2.93 % of the salary	R10,592.31
• The accountants' at 3.40 % of the salary	R9,179.80
• The officers at 3.40 % of the salary	R9,179.80
• The Technicians at 3.40 % of the salary	R9,179.80
• The supervisors at 4.15 % of the salary	R7,767.70

### Dispute Resolution

If a dispute over the application and interpretation of this policy is to arise the Municipal manager will refer the matter to the Arbitrator over the dispute.

### Review of the Policy

The policy will be due for review as and when a need for the review arises.