

POLICY : IMPLEMENTATION PLAN OF THE EKURHULENI TRANSPORT ALLOWANCE SCHEME

Item B-HR (3a-2004)
MC 12.6.2004

CORPORATE SERVICES CLUSTER : HUMAN RESOURCE MANAGEMENT
AND DEVELOPMENT DEPARTMENT : ORGANISATIONAL MANAGEMENT
DIVISION : DRAFT IMPLEMENTATION PLAN OF THE EKURHULENI
TRANSPORT ALLOWANCE SCHEME

RESOLVED:

1. **That** the contents of the report on the draft implementation plan of the Ekurhuleni Transport Allowance Scheme, **BE NOTED**.
2. **That** the implementation plan of the Ekurhuleni Transport Allowance Scheme, as proposed in the report, **BE APPROVED** and that the relevant Unions **BE CONSULTED** thereon.
3. That the Organisation Management Division of the Human Resource Management and Development Department **COMMENCE** wish all the exceptional cases of the present participants not complying with the requirements for participation in the Ekurhuleni Transport Allowance Scheme and a report **BE SUBMITTED** in this regard not later than 3 (three) months from the date of successful placements.
4. **That** the Ekurhuleni Transport Allowance Scheme **BE SUBMITTED** to the South African Local Government Bargaining Council for notification and information.
5. **That** the Chief Financial Officer **MAKE PROVISION** for the expenditure incurred by the implementation of the Ekurhuleni Transport Allowance Scheme.



Ekurhuleni
METROPOLITAN MUNICIPALITY

Transport allowance scheme

EKURHULENI TRANSPORT ALLOWANCE SCHEME

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1. DEFINITIONS AND ABBREVIATIONS (in alphabetical order)

- 1.1 “Rates”**
The “AA Rates as in Table A: Fixed Costs (including interest, depreciation, licensing and insurance) and Table B (Petrol Table): Running Costs (including service, repair, tyres, fuel), which is the latest tables available on the web site of the Automobile Association of South Africa or as published in The Motorist.
- 1.2 “Ad Hoc Travelling”**
Travelling in exceptional cases, when occasional official trips have been undertaken by means of a private vehicle.
- 1.3 “EMM”**
The Ekurhuleni Metropolitan Municipality as the Employer.
- 1.4 “HRM&D Department”**
Human Resources Management and Development Department, within the Corporate Services Cluster.
- 1.5 “OD Division”**
Organisation Development Division, within the Human Resources Management and Development Department.
- 1.6 “Official Kilometres”**
The kilometres travelled by an employee for official purposes within the regions/entire metropolitan area, to which the employee is permanently allocated, excluding trips outside the allocated boundaries and trips between place of work and home.
- 1.7 “Participant”**
An employee who is permanently appointed in a transport allowance bearing position.
- 1.8 “Scheme”**
The Ekurhuleni Transport Allowance Scheme as agreed upon.
- 1.9 “SDR”**
Service Delivery Region (Eastern, Northern and Southern Regions)
- 1.10 “Total Fixed Costs”**
The component of the transport allowance that covers the costs of interest, insurance, depreciation and licensing, indicated in Table A of the AA Rates, as amended from time to time.
- 1.11 “Total Running Costs”**
The component of the transport allowance that covers the costs of services, repairs, tyres, and fuel, as indicated in the petrol table of Table B of the PA Rates, as amended from time to time.
- 1.12 “Transport Allowance Bearing Position”**
A permanent position on the approved organisational structures to which a monthly transport allowance is allocated.
- 1.13 “Vehicle”**
A privately owned vehicle, excluding a motor cycle and a motor scooter, which is utilized and suitable for the execution of official duties of the employee.

2. PURPOSE OF THE SCHEME

To provide the payment of a transport allowance in respect of the utilization of a privately owned vehicle in the execution of official duties, regardless whether the utilization of such transport is permanent or ad hoc.

3. OBJECTIVES OF THE SCHEME

- 3.1 To determine the criteria for participation in the Scheme.
- 3.2 To compensate employees in a fair and reasonable manner.

4. PERIOD OF VALIDITY

The scheme comes into effect on the first day of the month following the month in which it is approved by the EMM and will be effective for a period of five years (60 months) or for such a period until a new agreement is agreed upon.

5. REQUIREMENTS FOR PARTICIPATION

- 5.1 Employees receiving a transport allowance as a management benefit/perk. EXCLUDING all employees who is appointed on a non-permanent basis, automatically qualifies for participation in the Scheme, provided that:
- (a) A permanent employee is appointed on salary levels 5 (five) and 6 (six);
 - (b) The employee has a valid driver's license;
 - (c) A privately owned vehicle must be available on a daily basis; and
 - (d) No official vehicle of the EMM may be utilized by the participant as a driver or a passenger.
- 5.2 Employees receiving a transport allowance for operational reasons, excluding those positions referred to in paragraph 5.1 above, 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 EMM may be utilized by the participant as a driver or a passenger.
 - (e) The total official kilometre distance travelled, must not be less than 400 (four hundred) km and not exceeding 1,200 (one thousand two hundred) km per month; and
 - (f) The position is included in the scope of the transport allowance schemes of other comparable metropolitan municipalities and is market related.
- 5.3 An employee performing any functions which require one or more of the following, will automatically be EXCLUDED from participation in the Scheme:
- (a) The functions require specialized vehicles and/or equipment;
 - (b) The functions necessitate the transportation of co-worker(s) and/or equipment; and
 - (c) The primary functions are to transport goods and/or people.
- 5.4 An employee, excluding those positions referred to in paragraph 5.1 above, is entitled to participate in the Scheme, if the investigation performed by the OD Division of the HRM&D Department confirms participation and approval is granted by the EMM.

6. CLASSIFICATION OF TRANSPORT ALLOWANCES

6.1 POSITIONS RECEIVING A TRANSPORT ALLOWANCE AS A MANAGEMENT BENEFIT/PERK

- 6.1.1 The kilometre allocation of 400 km per month are applicable to the incumbents of the positions on salary levels 5 (five) and 6 (six) receiving a transport allowance as a management benefit/perk where the incumbents of these positions automatically qualify for a monthly transport allowance without proof of official distance travelled.
- 6.1.2 The kilometres are fixed, unless:
- (a) Approved otherwise, as referred to in paragraph 7.2; and
 - (b) The maximum official kilometres travelled may not exceed 1.200 (one thousand two hundred) kilometres per month.
- 6.1.3 The kilometre allocations of these positions are for trips within the boundaries of the EMM or the SDR to which the participant is allocated.
- 6.1.4 The participant will be compensated on an ad hoc basis (refer to paragraph 11) for approved trips outside the boundaries of the EMM or the SDR to which he/she is allocated ONLY if the kilometre allocations as indicated in paragraph 6.1.1, or as re-determined (refer to paragraph 7.2), are exceeded.

6.2 POSITIONS RECEIVING TRANSPORT ALLOWANCES FOR OPERATIONAL REASONS

- 6.2.1 The allowance is applicable to those positions where the criteria for participating in the Scheme are complied with (refer to paragraph 5).
- 6.2.2 The allowance is based on the actual official kilometres travelled, as referred to in paragraph 7, confirmed by means of daily togs kept for a period of 6 (six) consecutive months.
- 6.2.3 The kilometre distance allocated to the position is for trips in within the boundaries of the EMM or the SDR to which the participant is allocated.
- 6.2.4 The participant shall be compensated on an ad hoc basis for trips outside the boundaries of the EMM or the SDR to which he/she is allocated during the period while keeping logs (refer to paragraph 11).
- 6.2.5 The participant will be compensated on an ad hoc basis for approved trips outside the boundaries of the EMM or the SDR to which he/she is allocated ONLY if the fixed kilometre allocations as referred to in paragraph 6.2.2, are exceeded.

7. DETERMINATION AND RE-DETERMINATION OF OFFICIAL KILOMETER DISTANCES

7.1 DETERMINATION OF OFFICIAL KILOMETRES FOR NEW/FIRST' TIME APPLICATIONS

- 7.1.1 When an employee is instructed to utilize his/her private vehicle in the execution of his/her duties, AND no official transport is available, the employee can complete an official application form and forwards it to the Director and the Executive Director concerned for recommendation.
 - (a) If the application is not recommended by the Director and Executive Director concerned, the form must be submitted to the HRM&D Department to be processed administratively by the OD Division.
 - (b) If the application is recommended by the Director and Executive Director concerned, the form must be forwarded to the HRM&D Department for investigation by the OD Division.
- 7.1.2 After the investigation by the OD Division, the request can be:
 - (a) Disapproved by the Executive Director: HRM&D, or as delegated, if the OD Division confirmed that not all the requirements as indicated in paragraph 5 are met and the employee is informed accordingly, or
 - (b) Provisionally approved by the Executive Director: HRM&D, or as delegated, if the OD Division confirmed that all the requirements as indicated in paragraph 5 are met.
- 7.1.3 If provisionally approved, the employee is informed officially by the Executive Director: HRM&D, or as delegated:
 - (a) To keep logs of the official kilometres travelled for a period of 6 (six) consecutive months, on the prescribed log sheets.
 - (b) That the onus rests on the employee to insure his/her vehicle for business purposes during the period of keeping logs and that the employer will not be held liable.
- 7.1.4 No official vehicle will be made available for the purpose of keeping logs.
- 7.1.5 The logs shall be used to determine the monthly official kilometres allocated to a position(s).

- 7.1.6 While keeping logs:
- (a) Trips outside the boundaries of the SDR, to which an employee is permanently allocated, shall not form part of the official kilometre allocation, unless the employee is allocated to execute his/her duties in the entire EMM area. The employee may claim on an ad hoc basis for these trips (refer to paragraph 11).
 - (b) Trips outside the boundaries of the EMM area, (i.e. Johannesburg, Pretoria, etc.) shall not form part of the official kilometre allocation. The employee may claim on an ad hoc basis for these trips (refer to paragraph 11).
 - (c) Trips between place of work and home do not form part of the determination of official kilometres.
- 7.1.7 Logs completed on the official log sheets (as supplied by the HRM&D Department) must be submitted on a weekly basis to the OD Division of the HRM&D Department for verification, after it has been approved as follows:
- (a) The relevant Sectional and Divisional Head in the case of an operational position;
 - (b) The relevant Director in the case of a Sectional and Divisional Head; or
 - (c) The relevant Executive Director in the case of a Director.
- 7.1.8 Should the 6 (six) months period of keeping logs be interrupted by unforeseen/exceptional/unplanned absenteeism, excluding annual leave, the employee obtain formal approval in writing from the HRM&D Department to extend the 6 (six) month period equivalent to the period of absenteeism.
- 7.1.9 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 OD Division.
- 7.1.10 In order to obtain the official monthly kilometres that should be allocated to the position, the total kilometres travelled during the 6 (six) months must be divided by 6 (six) and the result rounded off to the nearest 50 (fifty) kilometres.
- 7.1.11 if the calculations proof 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 Scheme (refer to paragraph 5).
 - (b) The employee and Executive Director concerned must be informed officially, in writing by the Executive Director: HRM&D, or as delegated.
- 7.1.12 If the calculations proof that the kilometres travelled per month comply inter alia with the minimum or maximum kilometre requirements for participation, the OD Division of the HRM&D Department will:
- (a) Officially inform the employee and Executive Director concerned within 1 (one) month after completion of the logs; and
 - (b) Submit a report in this regard to the EMM for approval.
- 7.1.13 During the period it takes to approve the report as mentioned in paragraph 7.1.12, the employee concerned should continue to submit logs to the OD Division of the HRM&D Department, for compensation purposes. as set out in paragraph 7.1.14.
- 7.1.14 After the EMM approves the report as mentioned in paragraph 7.1.12, the employee concerned shall be remunerated as follows:
- (a) The total transport allowance, as approved, from the first day of the month following the month of the council resolution; and
 - (b) A once-off payment of the difference, based on:
 - (i) The approved transport allowance; and
 - (ii) The actual ad hoc payments received from the day following the completion of logs to the end of the month in which the report was approved.
- 7.1.15 The Executive Director: HRM&D, or as delegated, can verify, question and test the contents of any log sheet at any point in time while an employee is keeping logs.

7.2 RE-DETERMINATION OF OFFICIAL KILOMETRES

- 7.2.1 Should the EMM require a re-determination of the official kilometres allocated to a transport allowance bearing position(s) by means of a council resolution, the participant(s) concerned commences to keep logs as set out in paragraph 7.1.
- 7.2.2 Should the participant of a transport 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 and the Executive Director concerned, for Recommendation.
- (a) If the application is not recommended by the Director and Executive Director concerned, the documentation must be submitted to the HRM&D Department to be processed administratively by the OD Division.
 - (b) If the application is recommended by the Director and Executive Director concerned, the documentation is forwarded to the HRM&D Department for investigation by the OD Division.
- 7.2.3 After the investigation by the OD Division, the request can be:
- (a) Disapproved by the Executive Director: HRM&D, or as delegated. If the investigation by the OD Division does not confirm the re-determination of official kilometres and the employee is informed accordingly, or
 - (b) Provisionally approved by the Executive Director: HRM&D, or as delegated, if the investigation by the OD Division confirms the re-determination of official kilometres.
- 7.2.4 If provisionally approved, the participant concerned is informed officially by the Executive Director: HRM&D, or as delegated, to keep logs in accordance with paragraph 7.1.
- 7.2.5 The incumbent of the transport allowance bearing position retains his/her current transport allowance for the period of keeping logs, until such time as the EMM approves the re-determined official kilometres. Once approved, implementation is effective from the first day of the month following the month of the resolution.
- 7.2.6 In the case where it is ascertained, as a result of a re-determination of official kilometres, that a participant travels less than 400 (four hundred) km or more than 1200 (one thousand two hundred) km per month for official purposes, the participant:
- (a) Should utilise official transport; and
 - (b) Should be dealt with in terms of the suspension of transport allowance criteria as set out in paragraph 13.

7.3 PAYMENT OF A TRANSPORT ALLOWANCE DURING THE PERIOD OF KEEPING LOGS

- 7.3.1 During the period in which the employee is keeping logs, he/she will be compensated on a monthly basis for the actual kilometres travelled, after completion of the official ad hoc forms, as follows:
- (a) Running costs will be paid, based on a standardised engine capacity of 2500 cc, according to the AA Rates for the actual kilometres travelled.
 - (b) Only the insurance element of the fixed costs component will be paid, based on the AA Rates where the purchase price is considered as the annual salary notch plus the annual leave bonus/13th cheque, of the employee, converted to a daily tariff.

8. CALCULATION OF TRANSPORT ALLOWANCES

8.1 DESCRIPTION OF THE FIXED COSTS AND RUNNING COSTS COMPONENTS

8.1.1 A monthly transport allowance consists of the following 2 (two) components, as indicated in the AA Rates, WHERE THE PURCHASE PRICE OF THE VEHICLE IS REGARDED TO BE EQUIVALENT TO THE ANNUAL SALARY PLUS THE ANNUAL LEAVE BONUS/13TH CHEQUE:

8.1.1.1 Total Fixed Costs

Fixed costs consist of the following elements:

- (a) Element one: Interest, depreciation and licensing, set out in Table A of the AA Rates:
 - (i) The total fixed costs is determined by the purchase price, as described in paragraph 8.1.1 above, and the corresponding value, standardised on 10,000 (ten thousand) km per annum for all transport allowance bearing positions.
- (b) Element two: Insurance costs, set out as a sliding scale in the AA Rates:
 - (i) The total fixed costs is determined by the purchase price, as described in paragraph 8.1.1 above, and the corresponding value, indicated as a percentage of the purchase price.

8.1.1.2 Total Running Costs:

- (a) The total running costs component indicates the tariff in cent per kilometre for a vehicle comprising of all running costs elements set out in Table B — Petrol of the AA Rates.
- (b) The calculation of the total running costs is standardised on an engine capacity of 2500 cc.

8.2 IMPLEMENTATION OF AMENDMENTS TO THE FIXED COSTS AND RUNNING COSTS COMPONENTS

8.2.1 In terms of the fixed costs component:

- (a) Amendments to the total fixed costs will be implemented bi-annually during April and October of each year.
- (b) The total fixed costs will be adjusted with salary increments, where applicable.

8.2.2 In terms of the running costs component: Amendments to the total running costs will be implemented monthly on closure of the payroll, according to the latest available AA Rates.

8.3 CALCULATION OF THE TOTAL TRANSPORT ALLOWANCE FOR ALL TRANSPORT ALLOWANCE BEARING POSITIONS

- 8.3.1 (a) The total fixed costs are calculated as follows:
- (i) The annual salary notch plus the annual leave bonus/13th cheque equals the purchase price of the vehicle, in the "Purchase Price" column, and
 - (ii) The corresponding figure (which is the cost per kilometre) in the ">10000 (ten thousand)" km column multiplied by 10,000 (ten thousand) divided by 12 (twelve) months, equals the monthly fixed costs.

PLUS

- (b) The Insurance element, calculated as follows:
- (i) The annual salary notch plus the annual leave bonus/13th cheque equals the purchase price of the vehicle in the "Purchase Price" column; and
 - (ii) Multiply this figure, with the corresponding figure in the "Percentage of Purchase Price" column and divide it by 12 (twelve) to reflect the monthly insurance element.

PLUS

- c) The total running costs, calculated as follows:
- (i) Multiply the official monthly kilometres allocated to a position with the figure in the "Total Cost" column corresponding with 2500 cc engine capacity.

8.3.2 The following formulae can also be utilised

(a) Fixed costs:

- (i) A = fixed costs
- (ii) a = fixed factor (purchase price and corresponding figure in 10.000 km column)
- (iii) $A = \frac{a \times 10,000}{12}$

(b) Insurance costs:

- (i) B = insurance costs
- (ii) b = insurance factor (purchase price)
- (iii) c = percentage insurance factor
- (iv) $B = \frac{b \times C}{12}$

(c) Total fixed costs:

- (i) C = total fixed costs
- (ii) $C = A + B$

(d) Running costs:

- (i) D = Running costs
- (ii) d = running factor (2500 cc engine capacity and corresponding figure in total cost column as cents per km)
- (iii) e = d X monthly kilometre allocation of position I 100 (to convert the figure to rand)
- (iv) $D = d \times e$

(e) Monthly transport allowance:

- (i) E = monthly transport allowance
- (ii) $E = C + D$

9. PRINCIPLES OF COMPENSATION

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

- 9.1 A transport allowance for the particular calendar month shall be paid on a monthly basis.
- 9.2 With regard to unpaid leave:
 - (a) The transport allowance be reduced on a pro rata basis; and
 - (b) No fixed or running costs are payable during this period, unless the EMM resolves otherwise.
- 9.3 With regard to maternity leave, only fixed costs are payable for the applicable period.
- 9.4 With regard to sick leave, the following is applicable:
 - (a) Full-paid sick leave: full transport allowance is payable;
 - (b) Half-paid sick leave: only fixed costs will be paid for the applicable period; and
 - (c) Unpaid sick leave: no fixed or running costs are payable, unless the EMM resolves otherwise.

10. FINANCING/LOANS

- 10.1 No internal vehicle loans will be provided.

11. AD HOC REMUNERATION

- 11.1 Ad hoc remuneration is payable in cases where occasional official trips are undertaken by means of private transport by permanently appointed employees. The following provisions apply:

11.2 ALL TRANSPORT ALLOWANCE BEARING POSITIONS (MANAGEMENT BENEFIT/PERKS POSITIONS AND OPERATIONAL POSITIONS)

- 11.2.1 Ad hoc remuneration is payable for official trips outside the boundaries of the SDR or the EMM to which the participant is permanently allocated ONLY when the monthly kilometre allocation of the position is exceeded.
- 11.2.2 AU 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.
- 11.2.3 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 relevant Director and forwarded to the Finance Department.
- 11.2.4 Trips between place of work and home shall not form part of ad hoc remuneration.

11.3 NON-TRANSPORT 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 relevant Director and forwarded to the Finance Department.
- 11.3.2 All 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 remuneration.

11.4 PAYMENT OF AD HOC CLAIMS FOR NON-TRANSPORT ALLOWANCE BEARING POSITIONS

- 11.4.1 Only the insurance costs element of the fixed costs component, as well as running costs, are payable for ad hoc remuneration, as follows:
- (a) Insurance costs will be paid, based on the applicable AA Rates, where the purchase price is considered as the annual salary notch plus the annual leave bonus/13th cheque of the employee.
 - (b) Running costs will be paid, based on a standardised engine capacity of 2500 cc, according to Table B - Petrol on the AA Rates, for kilometres travelled.

11.5 PAYMENT OF AD HOC CLAIMS FOR TRANSPORT ALLOWANCE BEARING POSITIONS

- 11.5.1 Only running costs will be paid, based on a standardised engine capacity of 2500 cc, according to Table B — Petrol on the AA Rates, for kilometers travelled.

12. TRANSPORT ALLOWANCE WHEN ACTING

- 12.1 A participant of a transport allowance bearing position who temporarily acts in a permanent transport allowance bearing position on a higher salary level, will receive the transport allowance applicable to the position in which he/she acts.
- 12.2 An employee of a non-transport allowance bearing position who temporarily acts in a permanent transport allowance bearing position, and if he/she provides a privately owned vehicle for the acting period, be remunerated on the actual transport allowance calculated on a pro rata basis for the position in which he/she acts.

13. SUSPENSION OF TRANSPORT ALLOWANCES

- 13.1 A participant occupying a transport allowance bearing position. whom requests to be permanently transferred to a non-transport allowance bearing position, will forfeit the transport allowance from the date of transfer.
- 13.2 The EMM may resolve to rescind a participant's transport allowance, in the following cases:
- (a) Where a participant in a transport allowance bearing position without his/her request be transferred to a non-transport allowance bearing position, or
 - (b) Where the job contents of a transport allowance bearing position change to such an extent that it will have an effect on the allocation of the transport allowance,
- 13.3 After consultation between the EMM and the participant concerned and his/her trade union, a report be submitted to the EMM for approval, after which a written notice be given that the termination of the transport allowance be effective after a period of 6 (six) months,
- 13.4 The following is applicable when the notice is served:
- (a) The outstanding loan amount as on the date of serving the notice, will be applicable for the application of option i and 2, referred to in paragraph 13.5.
 - (b) It is the responsibility of the participant concerned to supply the necessary proof of the outstanding loan amount to the Executive Director: Finance, on receiving the notice.
 - (c) Should the participant concerned fail to provide the necessary proof, the transport allowance be terminated after the 6 (six) months' notice period.
 - (d) During this 6 (six) months termination period, the participant will retain his/her original monthly transport allowance
- 13.5 After the 6 (six) months notice period and in the event of a vehicle loan still outstanding, the following two options will apply:
- (a) **Option One:**
 - (i) Fixed Costs: The participant retains the fixed cost component, including the insurance element, for the remaining loan period.
 - (ii) Running Costs: Where official trips are undertaken, the employee is remunerated for actual kilometres travelled on an ad hoc basis (refer to paragraph 11).
 - (b) **Option Two:**
 - (i) The EMM redeems the loan in full.
 - (ii) Where official trips are undertaken, the employee is remunerated on an ad hoc basis (refer to paragraph 11).
- 13.6 Where an incumbent of a transport allowance bearing position is injured to such an extent that he/she is unable to drive on a permanent basis, the EMM may resolve that:
- (a) The payment of his/her allowance be based on the fixed costs component. until his/her internal or external vehicle loan is redeemed in full, after which no transport allowance be payable to such an employee: OR

- (b) The EMM redeems his/her internal or external vehicle loan in full. after which no transport allowance be payable to such an employee.

14. SECURING OF RISKS

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

15. RELINQUISHING OF RIGHTS

- 15.1 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.
- 15.2 The failure of the EMM to strictly enforce the terms of this agreement against the participant in any one instance shall not be construed as a waiver by the EMM of any of it's rights in terms of the agreement and shall not prejudice the EMM to act against such participant at any later stage.

16. ONLY AGREEMENT

- 16.1 This agreement contains the full agreement between the parties and any stipulations, provisions or conditions, whether specific or by implication not included in this agreement are excluded and any variation, change or addition to this agreement is null and void and bears no legal rights unless it is otherwise agreed and it is put in writing and signed by the parties to this agreement.