

SECTION HR 18

AM AHLATHI
MUNICIPALITY

MOTOR

VEHICLE

SUBSIDY

SCHEME

SECTION HR 18

MOTOR VEHICLE SUBSIDY SCHEME

<u>INDEX</u>	<u>PAGE</u>
<u>Annexure A:</u> Motorcar Scheme determination for Town Clerks	3
1. General Guidelines	3
2. Locomotion Allowance	3
3. Extension Policy	4
<u>Annexure D:</u> How to use the Automobile Association Tables	6

SECTION HR 18

MOTOR VEHICLE SUBSIDY SCHEME

ANNEXURE A

MOTORCAR SCHEME DETERMINATION FOR TOWN CLERKS AS DETERMINED BY THE BOARD ON REMUNERATION AND SERVICE BENEFITS OF TOWN CLERKS ON 15 APRIL 1996

1. General Guidelines

The under mentioned stipulations and conditions define maximum benefits which can be granted and local government bodies are free to determine lesser benefits.

- a) It remains at the discretion of each local government body to decide whether or not its Municipal Manager and Managers reporting directly to the Municipal Manager shall use his private motorcar for official purposes.
- b) If it is expected of a Municipal Manager and Managers reporting directly to the Municipal Manager to use his private motorcar for official purposes a locomotion allowance is payable to him as determined herein.
- c) A Municipal Manager and Managers reporting directly to the Municipal Manager shall use the motorcar for which he receives a locomotion allowance for official purposes.
- d) A locomotion allowance shall be paid in accordance with the AA schedule which will be provided by the SALGBC from time to time as and when amended by the AA.

2. Locomotion Allowance

A local government body pays a Municipal Manager and Managers reporting directly to the Municipal Manager from whom it is expected to use his motorcar for official purposes, a locomotion allowance subject to the conditions and stipulations as determined herein.

- a) A locomotion allowance consists of two components namely a fixed cost component and a running cost component. The locomotion allowance is calculated according to the latest schedule of the

Automobile Association of South Africa in which the fixed cost and running costs are tabulated.

- b) A local government body pays the Municipal Manager and Managers reporting directly to the Municipal Manager for a monthly fixed basic distance for journeys within the boundaries of the local government body without proof of kilometers traveled.
- c) For journeys outside the boundaries of a local government body, he can be reimbursed for running costs for the actual distance traveled provided that notwithstanding 1 above, the local government body can decide that such journeys can be undertaken with an official or other vehicle.
- d) Should a Municipal Manager and Managers reporting directly to the Municipal Manager travel more than 850 kilometers within the boundaries of his local government body on a regular basis and if he submits proof of the higher kilometers to his council, it can determine the higher number of kilometers as the fixed distance within the boundaries of the local government body. The locomotion allowance for the first 850 kilometers is calculated according to the fixed cost and running costs of the AA tariff based on 10 000 kilometers traveled in one year and for the kilometers traveled in excess of 850 kilometers per month only running cost is paid.

The running cost component of the locomotion allowance must remain coupled to the specific motorcar in terms of the Motorcar Scheme for the Municipal Manager and Managers reporting directly to the Municipal Manager, which costs shall be adjusted according to the latest schedule of AA of S.A twice yearly as at 1st July and 1st January

- e) The maximum loan amount to determine the fixed cost component of the allowance shall be the annual salary of the Municipal Manager and Managers reporting directly to the Municipal Manager regardless of the purchase price of the vehicle, the fixed cost component shall be adjusted once in three years.

3. Extension of Policy

The existing Motor Vehicle subsidy Scheme policy is further extended to include only officials who in the opinion of the Municipal Manager and due to operational requirements must have a vehicle to effectively and efficiently execute their daily operations and where no official vehicle is available and further subject to the following conditions:

- a) The private vehicle to be purchased must be to the satisfaction of Council, suitable for the execution of the daily tasks applicable to the specific post.
- b) The private vehicle must at all times be at the workplace and in the event of the private vehicle not being available for any reason Council is not obliged to provide an official vehicle as an alternate.
- c) Should an official vehicle however be made available as an alternate the subsidy applicable will be reduced by the number of days the official vehicle was being used.
- d) The subsidy be based on 650 kilometers per month.

SECTION HR 18

MOTOR VEHICLE SUBSIDY SCHEME

ANNEXURE D

HOW TO USE THE AUTOMOBILE ASSOCIATION TABLES

SALGA informed the Municipalities per Circular No. 3/4/5/4 (09) 00 dated 29 September 2000 that the costs in respect of all motor car schemes be adjusted twice yearly as at 1 April and 1 October.

The Automobile Association sends out adjusted tables, i.e. Table A and table B setting out the fixed and running costs of various sized motor vehicles. The manner in which these tables must be used is as follows:

- a) The total operating costs of a vehicle ownership cost is comprised of the annual fixed cost as well as the running cost and is expressed in cents per kilometer.
- b) The annual fixed cost, i.e. financing, insurance, parking registration and licensing is detailed in Table A. These may be regarded to be the 'standing cost' or in other words, the costs that are incurred each month even if the vehicle is stationary. To determine the annual fixed cost of your vehicle, use the extreme left hand column of the table to find the maximum purchase value of your vehicle, then move across to the column titled Total Rands per year.

Example: Take a vehicle purchased for R30 000.00: the fixed annual cost is R20 667.00. This amount can be expressed in cents per kilometer by using the applicable column under annual distance traveled. For the above example: say the vehicle travels 20 000 km per year, both business and private travel, the fixed cost per kilometer is 103 cents.

- c) Table B is used to calculate the running cost of a vehicle – expressed in cents per kilometer (applicable to vehicles with mileages of less than 200 000 km). These consist of repairs, service and lubricant costs, tyre and fuel costs. To determine the running cost, first select the engine capacity from the first column and then move across to the total maintenance column and add the fuel costs to obtain the total running cost.

Example: The total maintenance cost of a 1600 cc vehicle is 22.2 cents per kilometer, which added to fuel cost of 24.8cents per kilometer, yields a total running cost of 47.0 cents per kilometer. The operating cost for the vehicle in the above mentioned example is:
 $103\text{c}/\text{km} + 47\text{c}/\text{km} = 150\text{c}/\text{km}$.

NOTE: The Automobile Association amends its tables regularly and Municipalities must ensure that they have the latest tables available at all times. As SALGA also often makes amendments to this scheme, it is also necessary to keep abreast of decisions of SALGA concerning the motor vehicle scheme.