



Molemole Municipality

**COUNCILLORS SUBSISTENCE AND TRAVEL
ALLOWANCE
POLICY 2024/25**

DOCUMENT REF:	PAYROLL
VERSION NO:	001.2024-2025
PREPARED BY:	RAMABOEA NL
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TABLE OF CONTENTS

Number	Description	Pages
1.	Name of policy	2
2.	Aim of policy	2
3.	Scope of application	2
4.	The legislative framework	2 – 4
5.	Travel allowances and Reimbursements	4
5.1.	Travel allowances	4 – 5
5.2.	Reimbursements	5
5.3.	Official business travel	5 – 6
5.4	Ordinary place of work	6
6.	Qualification requirements or entitlement to a reimbursement for travel.	6 - 7
7.	Process for travel reimbursement	7
8.	Legal requirements	8

**1. NAME OF POLICY****TRAVEL POLICY FOR COUNCILLORS****2. AIM OF POLICY**

2.1 The express aim of the Policy is to provide the municipality with a comprehensive travel policy framework for councillors for implementation within the municipality.

2.2 This policy sets out the basis for the payment of travel allowances for the purposes of official travelling.

3. SCOPE OF APPLICATION

3.1 This policy will only be applicable to councillors, both full-time and part-time, within the municipality.

4. THE LEGISLATIVE FRAMEWORK

4.1 Section 219(1) (b) of the Constitution of the Republic stipulates that an Act of Parliament must establish a framework for determining the Upper Limits of salaries, allowances or benefits of members of municipal councils of the different categories.

4.2 The Remuneration of Public Office Bearers Act (Act 20 of 1998) gives effect to Section 219(1) (b) by providing a framework for determining salaries of Political Office Bearers, including members of municipal



councils.

4.3 In terms of Sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, the Minister must determine the Upper Limits of the salaries, allowances and benefits of the different members of Municipal Councils by notice in the Government Gazette (hereafter referred to as the "Upper Limits").

4.4 The Upper Limits are published annually and deal with the following:

- I. Grading of municipalities for purposes of determining the remuneration scales;
- II. Upper Limits of annual total remuneration packages of full-time and part-time councillors;
- III. Upper Limits of allowances of full-time and part-time councilors;
- IV. Upper limits of remuneration or allowances in respect of appointed councilors;
- V. Upper limits of cellphone allowances of councilors; and
- VI. Upper Limits of pension fund contributions and medical aid benefits of councillors.

4.5 The Salary and allowances of councilors are determined by the municipal council, by resolution of a supporting vote of a majority of its members, in consultation with the MEC for local government in the province concerned, having regard to the Upper limits, the financial year of municipal councils and the affordability of the municipality to pay within the different levels of remuneration as determined.

4.6 Section 167 of the Municipal Finance Management Act of 2003 (MFMA) has a major impact on the remuneration of councillors. It stipulates that

councillors **may only** be remunerated within the framework of the Remuneration of Public Office Bearers Act and Section 219 (4) of the Constitution. It declares that any payment, whether in cash or kind, made **outside** this framework would be regarded as an irregular expense.

4.7 The travel allowance is defined in Section 8(1) (b) of the Income Tax Act, No 58 of 1962, as any allowance paid or advance given in respect of travelling expenses for **business purposes**, which is included in the taxable income of any person for any year of tax assessment.

4.8 Section 8(1) (b) of the Income Tax Act further deems any allowance or advance in respect of travelling expenses not to have been expended on business travelling to the extent that it has been spent on private travelling.

5. **TRAVEL ALLOWANCES AND REIMBURSEMENTS**

5.1. Travel Allowances

5.1.1 Formalities, which have to be met when allocating the travel allowance

- Within six months of being sworn in as a Councillor, the following documents must be submitted to HR division, failure of which will leave Council with no option but to restructure the Councillor's remuneration package to be without a car allowance.
- Copy of driver's licence.
- Copy of vehicle registration certificate or motor vehicle licence and disc document. All these in the name of the Councillor.

5.1.2 All Councillors receive a total remuneration package from the

municipality that includes a travel allowance of not more than 25% of the annual total remuneration package provided.

5.1.3 The following requirements must be met regarding the Councilors remuneration package and SARS compliance:

5.1.3.1 The travel allowance may only be an amount up to 25% of the total remuneration package;

5.1.3.2 A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometers travelled;

5.1.3.3 The travel allowance will be included in the IRP5 of a councillor for purposes of accounting to SARS.

5.1.3.4 On Income Tax Assessment, a councillor must account to SARS for the use of the travel allowance.

5.2 REIMBURSEMENT ALLOWANCE.

5.2.1. In addition to the Total Remuneration Package, a Councillor may be reimbursed for reasonable and actual kilometers travelled and subsistence allowance for official sleep out during the execution of official and ceremonial duties, in accordance with a policy as approved by the municipal council.

5.2.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.

5.3. OFFICIAL BUSINESS TRAVEL

DOCUMENT REFERENCE	PAYROLL POLICY	OWNER	RAMABOEIA NL	Molemole Municipality
VERSION No	001. 2024-2025	PAGE NUMBER	7	

5.3.1 Official Business related travel is travel for any purpose that directly relates to the business or job of a councillor and excludes travelling between the place of residence and ordinary place of work or business.

5.3.2 For the purpose of calculating official business travel the following shall be applicable for Councilors :-

5.3.4. ORDINARY PLACE OF WORK

5.3.4.1. Full time ward councilors shall have their ordinary place of business at the municipal precinct and their wards.

5.3.4.2. Full time Proportional Representative Councilors shall have their ordinary place of business at the municipal precinct.

5.3.4.3. Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that particular ward.

5.3.4.4. Part-time Ward Councillors shall have their ordinary place of business at their respective wards.

6. QUALIFICATION REQUIREMENTS OR ENTITLEMENT TO A REIMBURSEMENT FOR TRAVEL

6.1. A travel reimbursement may only be extended to councilors that have included the travel allowance within the total remuneration package structure.

6.2. All travel on business of the municipality must be approved by the Mayor before a Councilor is entitled to claim for the travel reimbursement.

6.3. A councilor will be reimbursed, in accordance with the kilometer tariff prescribed by the Department of Transport, for official business travel

DOCUMENT REFERENCE	PAYROLL POLICY	OWNER	RAMABOEA NL	Molemole Municipality
VERSION No	001. 2024-2025	PAGE NUMBER	7	

with their private vehicles and not with any other means of transport.

- 6.4. A travel reimbursement claim must be supported by proof of such travel and related documents such as the invitation, minutes of the meeting, attendance register or an Agenda for the meeting held.
- 6.5. No travel claim will be paid, and no Councilor will be entitled to the reimbursement, if the travel is not related to the official business of the municipality. No claim shall be paid for Councilors attending the functions of their political parties nor deaths of politicians.

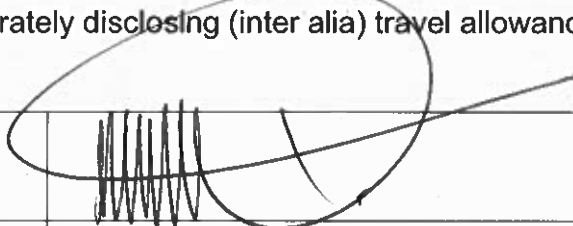
7. PROCESS FOR TRAVEL REIMBURSEMENT

- 7.1. A duly approved Trip Authorization Form approved by the Mayor.
- 7.2. The duly prescribed claim form must be fully completed by a Councilor.
- 7.3. claim form with accompanying supporting documents must be submitted on or before the 7th day of each month.
- 7.4. A claim submission form which indicates the number of claims submitted.
- 7.5. All claims will be reimbursed or paid with the next salary of a Councilor.
- 7.6. For e - filing purposes:
 - A logbook acceptable to SARS recording the official kilometers travelled in a defined month must be kept.
 - Any relevant supporting documentation required by SARS must be attached.

DOCUMENT REFERENCE	PAYROLL POLICY	OWNER	RAMABOEA NL	Molemole Municipality
VERSION NO	001. 2024-2025	PAGE NUMBER	7	

8. LEGAL REQUIREMENTS

In terms of Section 66 of the Municipal Finance Management Act, the accounting officer of the municipality must report to the council, in the format and for the period prescribed, all expenses relating to the councillors salaries, allowances and benefits, separately disclosing (inter alia) travel allowances.

Signature:	
Initials and Surname:	Councillor ME Paya
Designation:	Mayor
Council Resolution Number:	OC/30/04/2024
Council Date:	30.04.2024