



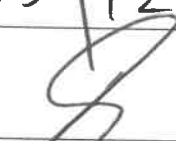
## NQUTHU MUNICIPALITY

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## HOUSING ALLOWANCE POLICY

Policy Adoption Date:	13 DECEMBER 2018
Resolution Number:	C/05/12/14
Authorised Signature:	

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## 1 DEFINITIONS

- **Employee** means any person excluding an independent contractor who works for a municipality and who receives or is entitled to receive any remuneration; and any other person who in any manner assist in carrying on or conducting the business of the municipality.
- **Key Focus Area** refers to areas in which the municipality must perform to ensure the Key Performance Areas are achieved.
- **Key Initiative** refers to an activity or task that is performed with the intension of achieving a key performance indicator and target. It also includes any activity that cannot be classified as a project or a programme.
- **Key Performance Area** refers to the performance area in which the municipality must perform to achieve its Mission and Vision.
- **Key Performance Indicator** means the measurement of performance along a scale or dimension to achieve the strategic objectives and KPA's.
- **Outcomes** refers to results that are expected to be achieved at the intermediate level which are realised as a consequence of specific outputs. Where it is not possible to measure outcomes because of non-attribution or timeframe involved, public institutions should use proxy indicators.
- **Output** refers to specific products or services in a given period.

## 2 LEGISLATIVE FRAMEWORK

This policy is established within the framework of the following legislation and regulations:

- The Basic Conditions of Employment Act, 1997 (Act no 75 of 1997)
- Labour Relations Act, 1995 (Act No. 65 Of 1995)
- Municipal Systems Act 32 of 2000
- Municipal Finance Management Act 56 of 2003
- All collective agreements as amended from time to time, concluded in the South African Local Government Bargaining Council (SALGBC)

### **3 OBJECTIVES**

To guide all Municipal employees on requirements for application for Home Owner's Allowances.

### **4 APPLICABILITY**

- 4.1 This Policy is applicable to all permanent employees of the Municipality excluding:
- The Municipal Manager.
  - Section 56 Managers and other Managers reporting directly to the Municipal Manager.

### **5 POLICY PROVISIONS**

- 5.1 Home Owner's Allowance
- 5.1.1. The Municipality pays a home owner's allowance to employees who own houses and who qualify for such a benefit in terms of the conditions of the housing scheme determined by the SALGBC.
- 5.1.2. The Home Owner's Allowance is subject to the requirements of a housing scheme which provides for a subsidy in respect of a mortgage bond to a maximum amount and as agreed from time to time during wage negotiations.
- 5.1.3. The property on which the home owner's allowance will be payable must be registered in the employee's name and / or jointly in his / her spouse's names.
- 5.1.4. All newly appointed employees who previously received any form of home owner's allowance at another Municipality, Government or state-owned company may receive a home owner's allowance on condition that the employee's dependants are resident in the house.
- 5.1.5. Every employee qualifies for participation in the home owner's allowance scheme if the relevant employee's spouse does not receive any form of housing allowance from his / her own employer. Proof to this status must be submitted.
- 5.1.6. Home owner's allowance is payable to employees who own a house that is within the borders of the Republic of South Africa.
- 5.1.7. The allowance will be payable towards only one loan, that is, whether it is a financial institution, pension or gratuity fund loan

5.1.8. The determination of home owner's allowance is in accordance with collective agreements and presented in circulars to municipalities by SALGA.

## 5.2 Calculation of allowance

5.2.1. The maximum allowance is calculated according to basis, conditions and limitations as determined by the SALGA in wage negotiations determined from time to time.

5.2.2. If the employee complies with the terms and conditions for qualifying for the home owner's allowance, it shall be paid monthly with the salary.

## 5.3 Home Owner

5.3.1. The home, in respect of which the employee applies for housing allowance, must be registered in his / her name, whether alone or with his / her spouse. The following documents will be recognised:

- a) Title Deed, where ownership could be outright or freehold ownership and title deed is obtained when the ownership of the home is transferred into the buyer's name;
- b) Permission to occupy (PTO) State or Traditional Land

## 5.4 Documentary Proof

5.4.1. An employee, who wishes to access the housing allowance scheme, must submit the following documentation:

- a) Water and electricity accounts of the property in respect of which subsidy is applied for;
- b) Letter from financial institution or building society or pension fund indicating the instalment and mortgage bond;
- c) Letter from the attorney, indicating
  - i. Purchase price of property
  - ii. Date on which the property was registered in the employee's name
- d) Affidavit from husband / wife to confirm that he / she does not receive a subsidy;
- e) Receipts of instalment paid directly to a financial institution or building society;

- f) Final settlement statement from financial institution or building society or pension fund in respect of previous mortgage bond for which a subsidy was received;
- g) All statements from attorneys relating to the purchase and sale transactions.

## **6. ROLES AND RESPONSIBILITIES**

The Municipal Manager or his / her nominee accept overall responsibility for the implementation and monitoring of the policy.